Company Number: 06564638

Scancell Holdings plc

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 30 April 2021

Scancell Holdings plc
COMPANY INFORMATION

DIRECTORS

Dr John Chiplin
Professor Lindy Durrant
Dr Sally Adams
Dr Richard Goodfellow
Martin Diggle
Dr Ursula Ney
Susan Clement Davies

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REGISTERED NUMBER

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AUDITOR

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I am pleased to report the Group's results for the year ended 30 April 2021. Our ambition is to generate truly novel vaccine and antibody medicines to treat significant unmet needs in cancer and infectious disease. We have made significant progress towards this, during and post period, by advancing our lead vaccine products into clinical development.

In particular, we were pleased to initiate our COVIDITY programme, which is based on our DNA vaccine platform, ImmunoBody®. COVIDITY is aimed at developing a next generation DNA-based COVID-19 vaccine to be administered using PharmaJet's needle-free systems. The Phase 1 clinical study started on 5 October 2021. Furthermore, Modi-1, the lead therapeutic vaccine candidate from our Moditope® platform, has received MHRA approval of the CTA for a Phase 1/2 study in the treatment of solid tumours. The first patients in this study should be enrolled shortly

As reported in the Interim Results, during the year we were pleased to have raised £46.1 million net proceeds through issuing new shares and convertible loan notes. In addition, Vulpes Life Science Fund fully converted their convertible loan note (£1 million) to shares on 27 October 2020, and on 2 November 2020, Redmile Group partially converted £3.25 million of their £5 million August convertible loan note to shares leaving £19.65 million in convertible loans outstanding as at the balance sheet date.

We welcome Redmile Group, a US based specialty healthcare fund, as the Company's largest shareholder and also acknowledge, and much appreciate, the continued support and participation in the recent financings by Vulpes Life Science Fund and many of our existing shareholders.

Post year end, on 28 July 2021, we were very pleased to be able to appoint Professor Lindy Durrant, founder, Board Director and Chief Scientific Officer (CSO) of the Group as Chief Executive Officer (CEO) of Scancell Holdings plc following Dr Cliff Holloway's decision to step down as a Board Director and CEO. The Board would like to thank Cliff for his commitment over the last three years during which time the Company has made substantial progress. As a co-founder and CSO, Lindy has been the driving force behind Scancell's internationally recognised science. The Board firmly believes that her strategic insight and commitment to moving products into clinical trials as well as her strong leadership skills will deliver significant value to the business and to shareholders.

Since the start of the COVID-19 pandemic, the health and safety of our staff has been the Group's key priority and we have taken measures to protect our employees. As previously announced, the SCIB1-002 clinical trial was paused as many hospitals in the UK prioritised COVID-19 patients and stopped all clinical trials. We are pleased that patient recruitment in this trial has now restarted and the Company has opened a further three clinical trial sites in order to minimise any further potential delays in recruitment to this study.

Despite the impact of COVID-19, outlined below is the strong progress that the Group has continued to make across our vaccine and antibody platforms.

VACCINES

Moditope® platform

Moditope® is a versatile proprietary cancer vaccine platform that targets stress-induced post-translational modifications (siPTMs) of proteins. This discovery has allowed the Company to develop a completely new class of potent and selective therapeutic vaccines. Examples of such modifications include citrullination, an enzyme-based conversion of arginine to citrulline, and homocitrullination, in which lysine residues are converted to homocitrulline. Expression of peptides containing these modifications have been demonstrated to induce potent CD4 cytotoxic T cells that induce anti-tumour activity without any associated toxicity.

Modi-1

Modi-1, which targets citrullinated cancer antigens, is the first therapeutic vaccine candidate to emerge from Scancell's Moditope® platform. The Company has recently received MHRA approval for a Phase 1/2 clinical trial in patients with solid tumours, including triple negative breast cancer, ovarian cancer, renal cancer and head and neck cancer. It is expected that the study will start to enrol patients later this calendar year with initial safety data potentially available during 2022 and preliminary efficacy data from 2023.

Modi-2

Modi-2, which targets homocitrullinated cancer antigens, is the second therapeutic vaccine candidate from the Moditope® platform and has the potential to address different cancer indications to Modi-1, including tumours with a particularly immunosuppressive environment. Under the Group's current assumptions, it is anticipated that Good Manufacturing Practice (GMP) manufacture of the Modi-2 product will commence in 2022.

ImmunoBody® platform

Scancell's ImmunoBody® immunotherapy platform uses the body's immune system to identify, attack and destroy tumours. This is achieved by delivering a DNA plasmid to enhance the uptake and presentation of cancer antigens to harness high avidity T cell responses. Each ImmunoBody® vaccine can be designed to target a particular cancer in a highly specific manner, offering the potential for enhanced efficacy and safety compared with more conventional approaches. These vaccines have the potential to be used as monotherapy or in combination with checkpoint inhibitors and other agents. The Directors believe that this platform has the potential to enhance tumour destruction, prevent disease recurrence and extend survival.

Scancell's ImmunoBody® vaccine approach can also be exploited to induce immune responses against infectious diseases. As research data emerged at the beginning of the COVID-19 pandemic, it was clear that the induction of potent and activated T cells may play a critical role in the development of long-term immunity and clearance of virus-infected cells. Scancell is therefore also using its proven cancer vaccine concept to design a vaccine against SARS-CoV-2, the virus that causes COVID-19.

COVIDITY

The COVIDITY programme, focusing on the Company's novel COVID-19 vaccine candidates SCOV1 and SCOV2, is a collaboration between Scancell and scientists at the Centre for Research on Global Virus Infections and the new Biodiscovery Institute at the University of Nottingham, and Nottingham Trent University. To date, the programme has received c.£2 million non–dilutive funding from Innovate UK, the UK's Innovation Agency. The COVIDITY programme is based on Scancell's ImmunoBody® platform and is aimed at developing a next generation DNA-based COVID-19 vaccine administered using PharmaJet's needle-free delivery systems. The COVIDITY vaccines have been designed to elicit more enduring immunity to conserved antigens compared to the current mRNA-based vaccines, and also to allow COVID-19 vaccines against new SARS-CoV variants to be generated quickly when they emerge.

The Directors believe that the key advantages of Scancell's COVID-19 vaccine include:

- It targets the S protein to induce virus-neutralising antibodies (VNAbs) that prevent the COVID-19 virus from entering cells, as well as inducing strong T cell responses to both the S and N proteins to destroy virally-infected cells and prevent further viral replication.
- As the N protein is well-conserved between coronaviruses, the vaccine has the potential to be effective against any variant of concern (including the Delta variant) or new strain of coronavirus.
- DNA vaccines are exceptionally stable, do not require ultra-low temperature storage and are manufactured using relatively simple processes compared to mRNA vaccines.

The Phase 1 clinical study started on 5 October 2021 and will be conducted in South Africa and the UK, with safety and immunogenicity data expected to be available in H1 2022. Given the large size of later stage trials, the Company intends to partner this programme once it has generated proof of concept data from the Phase 1 trial.

SCIB1

SCIB1 is currently being evaluated in a Phase 2 clinical trial in the UK in combination with the checkpoint inhibitor Keytruda® for the treatment of metastatic melanoma. Patient recruitment has been impacted by a combination of the ongoing COVID-19 pandemic and recent changes in the treatment of metastatic melanoma whereby most patients receive treatment with a combination of checkpoint inhibitors and ipilimumab rather than Keytruda® alone. However, recruitment has re-started following approval of a protocol amendment to reduce patient hospital visits and allow remote monitoring of the trial. Four clinical centres are now operational and actively screening patients, with additional trial sites under evaluation.

During the period, the Company has also been developing iSCIB1+, an AvidiMab™ modified version of SCIB1, which is expected to increase both the potency of SCIB1 and extend patent life. The modification also includes multiple epitopes so it can be used to treat all patients rather than be limited to the 40% of patients who have the appropriate HLA type for treatment with SCIB1. Given the significant improvements in potency, utility and patent life with iSCIB1+, the Company is currently evaluating its strategic options for the current SCIB1 programme which could include changes to the product, protocol and delivery system and will update the market in H1 2022 with regards to its strategy.

SCIB2

SCIB2 targets multiple epitopes from the NY-ESO-1 antigen. The Company announced earlier in the year that due to the impact of the COVID-19 pandemic and Cancer Research UK's Centre for Drug Development's re-evaluation of their collaboration model, that both parties had agreed to end their clinical development partnership for SCIB2. Subsequently, the Company has generated an enhanced version of SCIB2 using the AvidiMab™ technology. The Company will now explore options for advancing the iSCIB2 programme either in-house or with another partner.

<u>ANTIBODIES</u>

Anti-glycan antibodies

Scancell has been building a pipeline of differentiated anti-cancer monoclonal antibodies ('mAbs') that target sugar motifs rather than peptides. The Company currently has five novel mAbs in early-stage development and has the potential to use its unique methodology to identify many more mAbs against glycan targets in the future.

All cells are covered by a dense layer of sugar structures, called glycans, which change when a normal cell turns into a cancer cell. Tumour Associated glycans ('TaGs') are glycan motifs that are associated with tumour malignancies and these can be targeted by antibodies such as the Company's mAbs.

The mAb drug candidates in Scancell's pipeline target are particularly compelling with TaG drug targets and have been engineered to have superior affinity and selectivity profiles to directly kill tumour cells. These mAbs can also be used to deliver cytotoxic drugs, to redirect T cells or to be used in CAR T cellular therapies. The Group intends to achieve these developments through strategic partnerships with third parties.

AvidiMab™

AvidiMab™ is a versatile platform technology that has been developed by Scancell and can enhance the avidity and thereby the potency of any antibody.

Scancell has used AvidiMab™ in its internal programmes to:

- Engineer the anti-TaG mAbs to improve their ability to directly kill tumour cells.
- Engineer other mAbs to enhance their potency and/or extend their patent lifetime.
- Increase the breadth of response and potency of Scancell's ImmunoBody® cancer products.

- Increase the potency of the T cell response in Scancell's COVID-19 vaccine which in turn should lead to improvements in long-term protection and immunological memory.

Scancell is planning to increase the value of this rich pipeline of products through the generation of early-stage clinical data, either alone or in combination with strategic partners. Since the year-end, the Company has also set up a non-trading, dormant company, Zakari Therapeutics Limited which is a 100 percent owned subsidiary of Scancell Limited.

CORPORATE

Board appointments

During the period, Scancell announced the appointment of Susan Clement Davies as a Non-Executive Director and Chair of the Audit Committee. Susan Clement-Davies is an experienced life sciences financier with over 25 years of capital markets and investment banking experience.

Staff

The Board is very appreciative of the effort and dedication that all of our staff have shown over the year. This is especially so as staff have been operating in the new work environment necessitated by the COVID-19 pandemic. The Directors thank them for all their efforts in these unprecedented and challenging times.

Expanded laboratory facilities

Post period, the Group entered into a 5-year lease agreement with The Oxford Science Park for additional laboratory and office space in the Bellhouse Building at the Oxford Science Park. These new premises, which are complementary to Scancell's laboratories in the Biodiscovery Institute at the University of Nottingham, will allow the Company to further accelerate the development of its portfolio of immunotherapies.

FINANCIAL REVIEW

Profit or Loss and Other Comprehensive Income Statement

The Group made an operating loss for the year to 30 April 2021 of £8.8 million (2020 loss of £6.8 million).

There has been an increase in development expenditure to £6.4 million (2020: £4.7 million), which largely relates to the manufacture of SCOV1 for the upcoming clinical trials in South Africa.
The Company has received grant income of £0.9 million from Innovate (UK) which has partially funded the development of the COVID-19 vaccine.

The increase in administrative expenditure to £3.3 million (2020: £2.1million) reflects increased share option charge; directors' bonuses; intellectual property costs and transaction costs in respect of the issue of new convertible loan notes.

Interest payable is in respect of the convertible loan notes issued during the year. The finance expense relating to the derivative liability is the fair value adjustment of the derivative liability at 30 April 2021 offset by gains on the conversion of part of the convertible loan note into shares during the year.

The Loss before taxation amounted to £16.8 million (2020: £6.8 million) and the R&D tax credit remained static at £1.3 million (2020: £1.3 million). As the company has received grant income in respect of the development of the COVIDITY vaccine none of the COVIDITY development costs can be included in the R&D tax claim

Overall, the loss for the year was £15.5 million (2020: loss £5.5 million).

Statement of Financial Position

At 30 April 2021 the net assets of the Group amounted to £19.5 million (2020: £7.6 million) including cash at bank of £41.1 million (2020: £3.6 million) due to the additional fundraising of £46.1 million from the issue of shares and convertible loan notes.

During the year there was increased expenditure of £0.7 million on laboratory equipment at Nottingham which form part of the Tangible Fixed assets. The new lease for premises in Oxford was recognised as a right of use asset and a lease liability increasing additions and the lease liability by £285K.

The tax receivable due at the end of the year amounted to £2.6 million (2020: £1.3 million) and relates to the R&D tax credit for the 2019/20 tax year, which was received in May 2021 plus the tax credit for the year to 30 April 2021.

The increase in Trade and other receivables to £968k (2020: £371k) relates primarily to amounts owing to the Group in respect of grant income receivable for the four months to 30 April 2021. All grant income owing at 30 April 2021 has been received since the year end.

In August 2020, the group issued £6m in convertible loan notes to Vulpes (£1m) and Redmile Group (£5m). On 27 October 2020 Vulpes converted their loan note to shares. Redmile converted £3.25m of their loan note into shares on 4 November 2020. A further £17.9m convertible loan notes were issued to Redmile Group on 10 November 2020. At 30 April 2021, the total amount of convertible loan notes outstanding was £19.65million.

Trade payables at the end of the year of £821k (2020: £395k) relate to the increased manufacturing in the latter part of the financial year as more expenditure was incurred in the manufacture of SCOV1 for the upcoming COVIDITY clinical trial.

Consolidated Cash Flow Statement

As can be seen in the Consolidated Cash Flow Statement, there has been a significant increase in cash and cash equivalents of £37.5 million to £41.1 million (2020: decrease £1 million). This is due to the net proceeds from the issue of new shares in the year of £22.7 million (2020: £3.8 million) and the issue of convertible loan notes totalling £23.5 million (2020: £nil) which has been offset by net cash used in operations before changes in working capital £8.3 million (2020: £6.7 million).

Outlook

Following the issue of shares and convertible loan notes earlier in the financial year, the Directors believe that the Company is well-funded and its diverse pipeline, based upon its proprietary platforms, is on track to deliver multiple value inflection points over the next 18 months. The additional capital will enable the Company to pursue multiple clinical programmes across its vaccine and antibody portfolios, which the Board believe will significantly enhance the value of the Company.

This additional capital will also provide the Company with further flexibility regarding the development plans for its existing therapies, to ensure both optimal development and commercialisation strategies can be pursued, and to limit the potential impact on the Company of economic pressures caused by COVID-19.

In the Group's vaccine portfolio:

- Modi-1, the lead therapeutic vaccine candidate from our Moditope® platform, is expected to begin recruiting patients into a Phase 1/2 study for the treatment of solid tumours shortly, with safety and tolerability data expected in 2022. Based on the Group's current timelines, the Phase 2 module of the study could generate initial proof of concept efficacy data in 2023.

- GMP manufacturing for Modi-2, the second therapeutic vaccine candidate from the Moditope® platform, is anticipated to commence during 2022.

- A Phase 1 study of our next generation DNA COVID-19 vaccine candidate (COVIDITY) started in October 2021, with safety data anticipated to be available in H1 2022. Given the need for large sized later stage trials, the Company will seek to partner this programme once it has generated proof of concept data.

- Our ImmunoBody® vaccine, SCIB1, is currently being evaluated in a Phase 2 clinical trial in the UK in combination with the checkpoint inhibitor Keytruda® for the treatment of metastatic melanoma. Due to the easing of COVID-19 restrictions at clinical sites, it is anticipated that initial efficacy data will be available in 2022.

In the Group's antibody pipeline:

- Scancell will continue to progress its pipeline of differentiated AvidiMab™ enhanced antibody products targeting sugar motifs (anti-TaG mAbs) towards the clinic. These mAbs could be used as stand-alone therapeutics, be used to deliver cytotoxic drugs (antibody-drug conjugates), to redirect T cells or to be used in CAR-T cellular therapies.

- Additionally, the Company will further leverage its AvidiMab™ platform, which has the ability to enhance the avidity and thereby the potency of any monoclonal antibody, and is planning to increase the value of this rich pipeline of products through the generation of early stage clinical data, either alone or in combination with strategic partners.

COVID-19 has made this an unprecedented period for the Group, however we are very pleased with the strong momentum that occurred in the business over the past year and the Board would like to thank all our shareholders for their ongoing support.

John Chiplin
Chairman

28 October 2021

The current Directors of the Company are:

Dr John Chiplin (Chairman)
Dr John Chiplin has many years' international experience in listed life science companies where he has fulfilled the roles of Chief Executive Officer and Chairman. He is Managing Director of Newstar Ventures Ltd, an investment and advisory firm and contributes strong corporate finance skills to the Group. John is also Chairman of N4 Pharma PLC, an AIM listed company and serves on the board of the following Australian listed company, Regeneus Limited.

Professor Lindy Durrant (Chief Executive Officer, Chief Scientific Officer)
Professor Lindy Durrant is an internationally recognised immunologist in the field of tumour therapy. She has worked for over 20 years in translational research, developing products for clinical trials including monoclonal antibodies and cancer vaccines. She has a personal Chair in Cancer Immunotherapy in the Department of Clinical Oncology at the University of Nottingham.

Dr Sally Adams (Development Director)
Dr Sally Adams has worked on many complex projects over the past 25 years including anti-infective vaccines and cancer immunotherapies. She has previously held Development Director positions in life science companies and, prior to her appointment as Development Director at Scancell, she worked as a development consultant to Scancell providing guidance on the development of SCIB1.

Dr Richard Goodfellow (Non-Executive Director)
Dr Richard Goodfellow was CEO of Scancell until 31 December 2017. He has many years' experience with Scancell and in life sciences generally which he brings to the Board. As well as contributing to the Board, Richard provides business development advice and consulting services to Scancell.

Martin Diggle (Non-Executive Director)
Mr Martin Diggle is a founder, director and partner in Vulpes Investment Management and manages the Vulpes Life Sciences Fund. He has over 30 years' experience in investment banking and fund management and has been an investor in life sciences and biotech for nearly 20 years. His extensive experience of investment management in the life science sector will add a new and valuable insight to the Board of Directors. Martin's other directorships are Oxford Biomedica plc, Proteome Sciences plc and Chronos Therapeutics Limited.

Ursula Ney (Non-Executive Director, Chair of Remuneration Committee)
Dr Ney has over thirty years' experience in the pharmaceutical and biotechnology industry, including twenty years in senior leadership roles that also encompassed Executive and Non-Executive Board positions. She has broad experience of biologic and small molecule drug development across a range of therapeutic areas having been Director of Drug Development and on the Board of Celltech plc and later Chief Operating Officer and Executive Director of Antisoma plc. Most recently, she was Chief Executive Officer of Genkyotex SA. She was on the board of Discuva Ltd and is currently a Non-Executive Director of Proteome Sciences plc and also a member of the Board of Governors of the University of Plymouth and a Director of University of Plymouth Enterprises Ltd.

Susan Clement Davies (Non-Executive Director, Chair of Audit Committee)
Susan is an experienced life sciences financier with over 25 years of capital markets and investment banking experience, including Managing Director of Equity Capital Markets at Citigroup Global Markets Limited and most recently until 2018, Managing Director at Torreya Partners LLC, a global investment banking firm serving companies in the Life Sciences industry. Her work at this time included providing advice on M&A, corporate finance, licensing transactions and pharmaceutical asset sales, with clients ranging from large pharmaceutical companies through to private equity firms focused on healthcare. Susan is currently Non-Executive Director and Chairman of the Audit Committee of Evgen Pharma plc, an AIM listed clinical stage drug development company and Non-Executive Director of Exploristics Ltd.

PRINCIPAL ACTIVITY

Scancell is a clinical stage biopharmaceutical company that is leveraging its proprietary research, built up over many years of study of the human adaptive immune system, to generate truly novel vaccine and antibody medicines to treat significant unmet needs in cancer and infectious disease.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

A detailed review of the business and likely future developments is included in the Chairman's statement on page 2.

The results of the Group for the year are set out in the Consolidated Profit or Loss and other Comprehensive Income statement on page 30.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board meets regularly to review the operations of the business and discuss risk areas.

A system of internal controls has been established and the Board ensures that management keeps these processes under regular review and improves them where appropriate. These systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board have identified the following risks relating to the Company and its business.

Business strategy may change

The future success of the Company will depend on the Directors' ability to continue to implement effectively its business strategy. In particular, the pursuit of that strategy may be affected by changes in social and demographic factors or by changes in the competitive environment in the markets in which the Group currently operates or expects to operate. If such changes were to materialise the Directors may decide to change certain aspects of the Group's strategy. This might entail the development of alternative products and services, which would place additional strain on the Company's capital resources and may adversely impact on the revenues and profitability of the Group.

Future funding requirements and success of partnership discussions

The Company may require further funding in the future to continue to develop its assets towards commercialisation. There is no guarantee that the Company will be able to secure non-dilutive funding for any of its assets including, but not limited to, licence arrangements with third parties and grant funding. There is no guarantee that the Company will successfully conclude licensing discussions for its technologies on terms that are acceptable to Shareholders or at all. The Board reviews the timelines for completing projects in conjunction with cashflow projections to ensure that the Group will have the necessary cash resources available.

Technology and products

Scancell is an immunotherapy drug discovery company. Its success is dependent upon the development, successful licensing and patenting of its proprietary technology and its products. Products within Scancell's pipeline, both in house and in development with partners, are in relatively early stages of development and, as such, there is no guarantee that the products can be successfully manufactured for clinical testing. There is a risk that safety issues may arise when the products are further tested in man. This risk is common to all new classes of drugs and, as with all other drug companies, there is a risk that trials may not be successful. In order to mitigate these risks, the Group employs external consultants and advisers to review these underlying assumptions and the results from preclinical development and clinical trials. The Board considers these assessments and internal documentation on a regular basis and where necessary will amend or adjust the Group's strategy.

Product development timelines

Product development timelines are at risk of delay, particularly since it is not always possible to predict the rate of patient recruitment into clinical trials and due to the impact of COVID-19 is unknown. There is a risk therefore that product development could take longer than presently expected by the Directors; if such delays occur the Company may require further working capital. The Directors seek to minimise the risk of delays by careful management of projects and through the Capital Raise.

Patents

The field of antibody and immunotherapy drug development is highly litigious. Scancell's priorities are to protect its IP and seek to avoid infringing other companies' IP. To protect its technology, Scancell has secured and is securing further worldwide rights to patents protecting both the ImmunoBody®, Moditope® and AvidiMab™ platforms. However, there remains the risk that Scancell may face opposition from other companies to patents that it seeks to have granted. The Company engages reputable legal advisers to mitigate the risk of patent infringement and to assist with the protection of Scancell's IP

COVID-19

The Group has already been impacted by the lock-down arising out of the COVID-19 pandemic. In the event that there is a further wave of the COVID-19 pandemic this could have an impact on patient recruitment for the clinical trials, slow down research projects and impact third parties' ability to manufacturer product, meaning delays in planned timelines. Whilst this would not have an immediate adverse impact on bank balances, it would impact upon project timelines which may result in further funding becoming difficult to secure.

Other

As set out in note 20, the risks and risk assessment regarding financial instruments are considered.

KEY PERFORMANCE INDICATORS

Due to the nature of the business the board considers both non-financial and financial KPIs.

These relate to reviewing, on a regular basis, the scientific and technical progress of the research and development programmes and protection of the intellectual property arising from them together with monitoring the progress being made with the Group's upcoming clinical trials which are discussed in the Chairman's statement from page 2.

The most important financial KPIs are reviewing the research, development and clinical trial expenditure against budget and its subsequent impact upon the Group's cash runway. Because of delays in setting up and running the SCIB1 002 clinical trial and delays in Modi-1 manufacturing the costs in the current year were below budget. These were partially offset by additional research costs and resulted in final bank balances at the year-end being ahead of budget. For the year to 30 April 2021 the budgeted expenditure was materially accurate.

DIRECTORS' DUTIES SECTION 172 STATEMENT

Under Section 172(1) of the Companies Act 2006, a director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a) the likely consequences of any decision in the long-term;
b) the interests of the Company's employees;
c) the need to foster the Company's business relationships with suppliers and others;
d) the impact of the Company's operations on the community and the environment;
e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
f) the need to act fairly between members of the Company.

The Corporate Governance Statement set out on pages 10 to 14 and the Company's website, www.scancell.co.uk, the framework of our engagement with key stakeholder groups and should be read in conjunction with the table below which sets out how the Directors engage with employees and other key stakeholders.

Stakeholder	Topics	How we engage
Employees Scancell's 25 employees are based on two sites in Nottingham and Oxford.	Ensuring both sites view themselves as one Company; communicating performance of the Company; motivating staff	Regular Company meetings with both sites; weekly meetings at individual sites; easy access to Executive Directors; granting of share options
Investors and shareholders Scancell is a pre-revenue Company and is dependent upon existing and future investors to fund its research and development products	Business Strategy clearly setting out the progress with projects in development and cash requirements	Use of financial PR consultants; interviews with Proactive investors the release of information through the Group's website; the Regulatory News Service of the London Stock Exchange.; meeting individual shareholders at AGM
Suppliers Scancell has a wide range of suppliers for consumable items and a few key suppliers who are key to our manufacturing of product	Management of supplier relationships ensuring consumable and other items are delivered on time and at right price	The Company has appointed a Procurement Solutions provider to manage our relationships with Suppliers providing materials for the laboratory. Key suppliers are managed in-house with regular meetings being held with Scancell management
Contract Research Organisations CROs are key to managing Scancell's clinical trial programmes	Management of clinical trials and recruitment of patients; Regulatory and pre-clinical services	Rigorous selection process before engaging CRO and then regular project meetings

Principal decisions in 2020/21

We have considered the decisions taken by the Board which will have an impact on the longer-term performance and prospects for the Group. The Board believes that the following decisions taken during the year and since the year end fall into this category and were made with full consideration of both internal and external stakeholders. The group's aim is to meet the needs of the key stakeholders who ultimately wish for the research and trials to produce a vaccine for those current and future projects. The communication with these stakeholders, along with discussions internally have resulted in the following significant events and decisions throughout the year:

Significant events/decisions	Key s172 matter(s) affected	Actions and impact
Entered into collaboration with University of Nottingham and Trent University to develop a COVID19 vaccine and received government grant.	Employees	Decisions were made by the executive team in consultation with the Board after carefully considering impact upon existing staff resources and available funding.
During the year, the Company has raised £ 23.9m (gross) investment from existing and new investors, including Redmile Group, a leading US biotech investor. In addition, the Company issued £17.9m in convertible loan notes to Redmile. These funds will enable the Group to progress its SCIB1 002 and Modi-1 clinical trials.	Shareholders	Consultation with major shareholder and approval from shareholders at General Meeting
Susan Clement Davies, an experienced life sciences financier, was appointed as a Non_Executive Director and Chair of the Audit Committee during the year.	Shareholders	Decision was made following an executive search and interview process and her appointment was confirmed by shareholders at the 2020 Annual General Meeting
Agreed to lease additional laboratory and office facilities on the Oxford Science Park.	Employees	Following recommendation from the Senior Management Team and after consideration of funding resources and existing and future staff requirements, the Board agreed to enter into a lease agreement with The Oxford Science Park.

The Group's board regularly reviews its current and projected finances to ensure that it has sufficient capital resources to execute its business plan.

John Chiplin
Chairman

28 October 2021

Principles of corporate governance

The Board recognise the value of good corporate governance not only in the areas of accountability and risk management but also as a positive contribution to delivering and protecting enhanced shareholder value. New regulations were introduced by AIM from 28 September 2018 and the Board has been following the corporate governance principles set out in the Corporate Governance Code published by the Quoted Companies Alliance (QCA), to the extent that it considers the principles to be appropriate. On our website (www.scancell.co.uk/corporate-governance) we set out how the Company and Group addresses the ten key governance principles defined in the QCA Code. It is my primary responsibility, as Chairman to lead the Board effectively and to oversee the adoption, delivery and communication of the Company's corporate governance model.

Board Composition

During the year ended 30 April 2021, Dr Alan Lewis stepped down from the Board on 24 September 2020 and was replaced by Susan Clement Davies who was appointed a Non- Executive Director on the same date.

Post year-end, Dr Cliff Holloway resigned as CEO on 28 July 2021 and Professor Lindy Durrant was appointed from that date.

The Board now comprises an Executive Chairman, two Executive Directors and four Non-Executive Directors.

The Board meets regularly to consider strategy, performance, approval of major capital projects and the framework of internal controls. During the year ended 30 April 2021 there were six scheduled board meetings with each member attending as follows:

Director	Number of meetings held whilst a board member	Number of meetings attended
Dr John Chiplin	6	6
Dr Cliff Holloway	6	6
Prof Lindy Durrant	6	6
Dr Sally Adams	6	6
Dr Richard Goodfellow	6	6
Mr Martin Diggle	6	6
Dr Ursula Ney	6	6
Susan Clement Davies	4	4
Dr Alan Lewis	2	0

The current members of the Board of directors are Listed in the Directors Biography section of these financial statements on page 8.

The Board consists of seven members, all of whom have extensive experience in the Life Science sector covering pre-clinical research and development in the field of oncology, clinical development, management of intellectual property, business development and finance.

The Non -Executive Directors are expected to spend such reasonable time required each month to fulfil their role and duties for the Company. This will include attendance at monthly Board meetings, the AGM, meetings with the other Non-Executive directors and meetings with shareholders. Ursula Ney and Susan Clement-Davies are considered to be independent directors as apart from receipt of fees, they have no financial interest in the Company.

With the mix of expertise on the Board, the Board believes that it is well placed to deliver our business strategy.

Board composition (continued)

The Executive Directors meet on a weekly basis either face to face or by phone to discuss operational matters. To enable the Board to discharge its duties, all Directors receive appropriate and timely information. Briefing papers are
.
distributed to all Directors in advance of Board meetings. All Directors have access to the advice and services of the Company Secretary, who is responsible for ensuring that the Board procedures are followed, and that applicable rules and regulations are complied with. The appointment and removal of the Company Secretary is a matter for the Board as a whole. In addition, procedures are in place to enable the Directors to obtain independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. Subject to the terms of the Executive Directors' service contracts, Directors are subject to retirement by rotation and re-election by the Shareholders at Annual General Meetings on a three-year cycle, as required by the Articles of Association and any Director appointed by the Board shall hold office only until the next Annual General Meeting and shall then be eligible for election.

The Scancell Board has the broad range of skills and capabilities required to direct the Group. These include sector-specific experience in the Business Development and Research and Development functions, as well as more general finance, accounting and business management skills. The Board is supported by the following committees:

Remuneration Committee
The Remuneration Committee comprises Dr Ursula Ney (Chair), Susan Clement Davies and Dr John Chiplin.

The Committee meets at least once a year and more frequently if required. The Committee is responsible for setting the remuneration policy of the Executive Directors, including terms of employment, salaries, any performance bonuses and share option awards. The Executive Directors also consult the Committee in relation to the remuneration of senior employees and staff share option schemes. The remuneration of the Non-Executive Directors is determined by the Board as a whole.

Governance and Nominations Committee
The members of the Governance and Nominations Committee are Dr John Chiplin (Chair), Dr Ursula Ney and Susan Clement Davies.

The Nominations Committee meets as necessary and its responsibilities include the review of the structure, size and composition of the Board, together with skills, knowledge, experience and diversity, succession planning, review of leadership needs and identification, evaluation and nomination of candidates to fill Board vacancies. The Company engaged an Executive Search agency when recruiting Susan Clement-Davies. They provided candidates who were interviewed by Scancell's Chairman before meeting with the CEO and other members of the Board prior to her appointment.

Board Evaluation
During the year the Board recognised that there needed to be a wider set of skills within the Non-Executive Directors. The Board has carried out an evaluation of its own performance and effectiveness and that of individual directors during the year. The review identified major areas requiring further focus, including:

- Succession planning for management;
- Composition of the board in terms of board diversity, experience and independence;

Audit Committee
The Audit Committee is responsible for the relationship with the Group's external auditor, the review of the Group's financial reporting and the Group's internal controls.

Susan Clement Davies is Chair of the Audit Committee and is joined by Dr Ursula Ney and Dr John Chiplin.

The Committee will normally meet at least twice per year and has primary responsibility for monitoring the quality of internal controls ensuring that the financial performance of the Company is properly measured and reported on and reviewing reports from the Company's auditors relating to the Company's accounting and internal controls, in all cases

Audit Committee (continued)

having due regard to the interests of Shareholders. The Audit Committee meets with the auditor at least once a year. The Audit Committee has undertaken an assessment of the auditor's independence, including:

- A review of non-audit services provided to the Group and related fees;
- Discussion with the auditor of a written report detailing all relationships with the Group and any other parties that could affect independence or the perception of independence;
- A review of the auditor's own procedures for ensuring the independence of the audit firm and partners and staff involved in the audit, including regular rotation of the audit partner; and
- Obtaining written confirmation from the auditor that, in their professional judgement, they are independent.

At the Company's Annual General Meeting in November 2020, BDO were re-appointed as Independent Auditors to the Company and their appointment for the financial year ending 30 April 2022 will be subject to approval by the Company's shareholders at the next Annual General Meeting to be held in 2021.

The Audit Committee is satisfied that the external auditor is independent in the discharge of their audit responsibilities.

Internal Control and Risk Management

The Directors are responsible for ensuring that the Group maintains a system of internal control to provide them with reasonable assurance regarding the reliability of financial information used within the business and for publication and that the assets are safeguarded, transactions are authorised and properly recorded and that material errors and irregularities are either prevented or would be detected on a timely basis.

There are inherent limitations in any system of internal control and accordingly even the most effective system can provide only reasonable, but not absolute, assurance with respect to the preparation of financial reporting and the safeguarding of assets.

The Group, in administering its business has put in place strict authorisation, approval and control levels within which senior management operates. These controls reflect the Group's organisational structure and business objectives. The control system includes clear lines of accountability and covers all areas of the organisation. The Board operates procedures which include an appropriate control environment through the definition of the organisation structure and authority levels and the identification of the major business risks.

The key element of the internal control systems in operation is the Board meeting regularly with a formal agenda to monitor all aspects of the business including monitoring the Group's financial performance against approved budgets and forecasts.

The major risks and uncertainties facing the Group together with actions to mitigate the risks are set out in the Strategic Report on pages 9 and 10 and are reviewed by the Board on a regular basis. Specific projects are monitored by project development teams and the Senior Management Team on a weekly basis.

There are no significant issues disclosed in the report and financial statements for the year ended 30 April 2021 and up to the date of approval of the report and financial statements that have required the Board to deal with any related material internal control issues.

Investor Relations

The Group's Board maintains ongoing communication with existing and potential investors. This is achieved by:

- talking to institutional and private investors through direct meetings;
- individual shareholders talking to Board members at the Annual General Meeting;
- financial PR consultants;

Investor relations (continued)

- the release of information through the Group's website;
- the Regulatory News Service of the London Stock Exchange.

Impact of new investment on the wider community
During the year the Group raised £46.1 million (net proceeds) from new investment from shareholders (£22.6m) and the issue of convertible loan notes (£23.5m). This new investment has increased the funds available to advance Scancell's product pipeline for the treatment of cancer and infectious disease. In particular, the investment will enable the Group to move its lead Moditope® platform asset, Modi-1, into the clinic and also complete the SCIB1 002 clinical trial for the treatment of melanoma. Successful clinical trial results will primarily benefit patients by providing treatments for what are currently hard to treat cancers. The receipt of grant funding from Innovate UK during the year has also enabled the Group to progress with its development of SCOV1, a vaccine for the treatment of COVID-19. Clinical trials with SCOV1 started in South Africa in October2021.

Going concern

The Board of Directors determine the appropriate basis for preparing the consolidated financial statements and consider whether the Company and Group have sufficient financial resources to continue operating for at least a year from the date of approval of the financial statements.

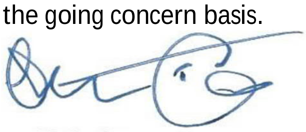
The Group has already been impacted by the lock-down arising out of the COVID-19 pandemic. In the event that there is a further wave of the COVID-19 pandemic this could have an impact on patient recruitment for the clinical trials, slow down research projects and impact third parties' ability to manufacture product, meaning delays in planned time-lines. The Directors consider the COVID-19 impact to have a timing impact as the most significant risk and therefore do not consider there to be a significant risk that trials will stop indefinitely. This would not have an immediate adverse impact on bank balances as expenditure would be delayed.

At 30 April 2021, the Convertible Loan Notes ('CLNs') outstanding were convertible into shares or repayable to the note holders in two tranches in August 2022 (£1.75m) and November 2022 (£17.9m). Following the year-end, the Directors have entered into a deed of amendment relating to the convertible loan notes issued by the Company and held by funds managed by Redmile Group, LLC (the "Redmile Funds"). Under the terms of the deed of amendment:

- the deed constituting the Nil Rate Unsecured Convertible Loan Notes 2020, dated 12 August 2020, is amended such that the redemption date is extended to 12 August 2025, and
- the deed constituting the 3% Unsecured Convertible Loan Notes 2020, dated 10 November 2020, is amended such that the redemption date is extended to 10 November 2025.

Detailed cash flow projections are prepared and reviewed by the Board on a regular basis. Having considered the cash projections, and the working capital requirements of the Company and Group, including the timings of expenditure surrounding the manufacture of SCIB1, Modi-1, development work on a COVID-19 vaccine, the commencement of clinical trials and further work on the Monoclonal Antibody Platform, the Board has a reasonable expectation that sufficient resources are available to enable the Company and the Group to continue in operation for at least twelve months from the date of approval of these financial statements.

Following this review, the Board concluded that the financial statements should continue to be prepared using the going concern basis.



John Chiplin
Chairman

28 October 2021

Remuneration Committee

During the financial year ended 30 April 2021 the Remuneration Committee members were Dr Ursula Ney, Dr John Chiplin, Dr Alan Lewis (until 24 September 2020) and Susan Clement Davies (from 24 September 2020). The committee was chaired by Dr Alan Lewis until 24 September 2020 and since then is chaired by Dr Ursula Ney.

The Committee meets at least once a year and more frequently if required. The Committee is responsible for setting the remuneration policy of the Executive Directors, including terms of employment, salaries, any performance bonuses and share option awards. The Executive Directors also consult the Committee in relation to the remuneration of senior employees and staff share option schemes. The remuneration of the Non-Executive Directors is determined by the Board as a whole.

Remuneration Policy

The key principles underlying all decisions by the Remuneration Committee include the following:

- The need to attract, retain and motivate outstanding executives who have the potential to support the growth of the Scancell and help the Company achieve its strategic objectives.
- The need to ensure that long term incentive plans ('LTIP') are aligned with the interests of shareholders.
- The need to take into account the competitive landscape in the UK biotechnology industry and current best practice in setting appropriate levels of compensation.

The Committee met on two occasions during the financial year. Subjects under discussion included a review of whether remuneration paid met the Company's objectives to reward and incentivise the Executive team. In addition to consulting our key shareholders, the remuneration committee consulted external consultants and considered pay structures in equivalent listed companies in the UK biotech industry.

Bonuses

The Company operates a bonus scheme for executive directors for delivery of exceptional performance against pre-set relevant corporate objectives. Annual bonus entitlements are based on the achievement of pre-set Group corporate, financial and personal performance targets.

Directors' Remuneration

The table below summarises all Directors' salaries, fees for consulting and pension contributions.

	2021				2020			
	Salary and fees	Bonus	Pension Contribs	Total	Salary and fees	Bonus	Pension Contribs	Total
	£	£	£	£	£	£	£	£
Dr J Chiplin	110,155	-	-	110,155	117,500	-	-	117,500
Dr R M Goodfellow	76,426	-	-	76,426	87,500	-	-	87,500
Dr C Holloway	234,375	150,000	1,316	385,691	250,000	37,500	2,944	290,444
Professor L G Durrant	164,062	150,000	-	314,062	175,000	26,250	-	201,250
Dr S E Adams	177,417	77,250	3,621	258,288	193,125	19,313	1,287	213,725
Dr M G W Frohn[1]	-	-	-	-	12,500	-	-	12,500
Dr A Lewis[2]	13,978	-	-	13,978	25,000	-	-	25,000
Mr M H Diggle[3]	-	-	-	-	-	-	-	-
Dr U Ney[4]	22,917	-	-	22,917	11,438	-	-	11,438
Ms S Clement Davies[5]	15,062	-	-	15,062	-	-	-	0
	814,392	377,250	4,937	1,196,579	872,063	83,063	4,231	959,357

Directors' Remuneration (continued)

Notes:

1 Dr Matthew Frohn resigned as a Non-Executive Director on 31 October 2019
2 Dr Alan Lewis resigned as a Non-Executive Director on 24 September 2020
3 Mr. Martin Diggle receives no remuneration.
4 Dr Ursula Ney was appointed a Non-Executive Director on 31 October 2019
5 Susan Clement Davies was appointed as a Non-Executive Director on 24 September 2020
6 Post year end, Dr Cliff Holloway resigned on 28 July 2021

Chief Executive Officer's remuneration

The total remuneration paid to the Chief Executive Officer, Dr Cliff Holloway is a multiple of 6.3 times (2020: 4.3 times) the average remuneration of an employee of the Group.

Directors' share options

The Remuneration Committee believes that the issue of options is a useful tool in motivating executives and ensuring their interests are aligned with those of our shareholders. All options are subject to time vesting schedules to ensure retention and stretching performance hurdles to ensure that rewards are consistent with delivery of strategic goals. Examples of performance hurdles include progress in clinical development programs, partnering and share price targets.

At 30 April 2021 the following Directors held options over the shares of the Company.

	Grant Price	At 30/04/2021	At 30/04/2020	Issue Date	Date of expiry
Dr J Chiplin	17.0p	3,000,000	3,000,000	18/04/2016	18/04/2026
	8.15p	1,000,000	1,000,000	30/04/2020	30/04/2030
Dr R M Goodfellow	4.5p	2,880,000	2,880,000	30/07/2020	30/07/2023
	33.2p	3,500,000	3,500,000	11/12/2013	31/12/2023
	8.15p	1,000,000	1,000,000	30/04/2020	30/04/2030
Dr C Holloway	10.5p	3,000,000	3,000,000	31/01/2018	31/01/2028
	8.15p	1,000,000	1,000,000	30/04/2020	30/04/2030
Prof L G Durrant	4.5p	3,850,000	3,850,000	30/07/2020	30/07/2023
	10.5p	9,000,000	9,000,000	31/01/2018	31/01/2028
	8.15p	1,000,000	1,000,000	30/04/2020	30/04/2030
Dr S E Adams	10.5p	2,500,000	2,500,000	31/01/2018	30/01/2028
	8.15p	1,000,000	1,000,000	30/04/2020	30/04/2030

Ursula M. Ney

Ursula Ney
Chair of the Remuneration Committee

28 October 2021

Scancell Holdings plc
AUDIT COMMITTEE REPORT
for the year ended 30 April 2021

The Audit Committee is responsible for the relationship with the Group's external auditor, the review of the Group's financial reporting and the Group's internal controls.

At the start of the year, the Audit Committee comprised of two Non-Executive Directors, Dr John Chiplin (Chair of the Committee), and Dr Alan Lewis. Alan Lewis resigned as a Director on 24th September 2020 and the Audit Committee members are now Susan Clement Davies (Chair of the Audit Committee), Dr Ursula Ney and Dr John Chiplin.

The responsibilities of the Committee include the following:

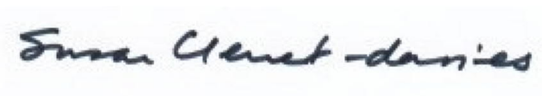
- Monitoring the integrity of the financial statements of the Group.
- Reviewing the accounting policies, accounting treatments and disclosures in the financial statements.
- Reviewing the Group's internal financial controls and risk management systems.
- Overseeing the Group's relationship with external auditors, including making recommendations to the Board as to the appointment or re-appointment of the external auditors, reviewing their terms of engagement, and monitoring the external auditors' independence, objectivity and effectiveness.

The Audit Committee met three times during the year with time allowed for discussion without any members of the executive team being present, to allow the external auditor to raise any issues of concern. Audit Committee meetings may be attended, by invitation, by other Directors and by the Group's auditors.

The Committee has responsibility for, amongst other things, planning and reviewing the Annual Report and Accounts and Interim Statements involving, where appropriate, the external auditors. The Committee also approves external auditors' fees and ensures the auditors' independence as well as focusing on compliance with legal requirements and accounting standards. It is also responsible for ensuring that an effective system of internal control is maintained. The ultimate responsibility for reviewing and approving the annual financial statements and interim statements remains with the Board.

During the year ended 30 April 2021, the Audit Committee reviewed and approved the financial statements for the year ended 30 April 2020, the interim results for the six months to 31 October 2020 and the external auditor's plan for the 2021 external audit.

The Audit Committee has satisfied itself that the external auditor is independent. The Audit Committee has concluded that the external audit process was effective, that the scope of the audit was appropriate and that any significant judgements have been robustly challenged. No significant issues have been reported by the auditor for the accounts for the year ended 30 April 2021.



Susan Clement Davies
Chair of Audit Committee — 28 October 2021

The Directors submit their report and financial statements of Scancell Holdings plc for the year ended 30 April 2021. Scancell Holdings plc is registered in England and Wales and is quoted on the AIM market.

RESULTS AND DIVIDENDS

The Group's results for the year ended 30 April 2021 are shown in the Consolidated Profit or Loss and other comprehensive income statement on page 30. No dividends will be distributed for the year.

FUTURE DEVELOPMENT AND RESEARCH AND DEVELOPMENTS

A detailed review is included in the Chairman's statement on page 2 and the Strategic Review on page 9.

DIRECTORS AND THEIR INTERESTS

The members of the Board, who have served during the financial year are detailed below. Their interests in the shares of the Group at 30 April 2021 and 2020 are set out below.

	30 April 2021		30 April 2020	
	Owned	Jointly owned[1]	Owned	Jointly owned[1]
Dr S E Adams	69,623	Nil	61,918	Nil
Dr J Chiplin	2,000,000	Nil	2,000,000	Nil
Prof L G Durrant	1,796,432	8,773,960[1]	1,665,783	8,773,960[1]
Dr R M Goodfellow	258,823	6,343,840[1]	258,823	6,343,840[1]
Dr C Holloway (resigned 28 July 2021)	100,000	Nil	Nil	Nil
Mr M H Diggle[2]	Nil	Nil	Nil	Nil
Dr A Lewis (resigned 24 September 2020)	Nil	Nil	Nil	Nil
Dr U Ney	Nil	Nil	Nil	Nil
Ms S Clement Davies (appointed 24 September 2020)	Nil	Nil	Nil	Nil

[1] These shares are jointly owned with the Trustees of the Scancell Employee Benefit Trust which was established in July 2007.
[2] Martin Diggle is a partner in the Vulpes Life Science Fund which at 30 April 2021 held 116,079,029 (2020: 78,549,311) of the shares in the group.

Since the year end, Professor Lindy Durrant has sold 6,840,633, joint ownership shares previously awarded to her through the Scancell Employee Benefit Trust and no longer has an interest in the 1,933,327 shares which were held jointly by the Scancell Employee Benefit Trust and Professor Durrant.

In addition, the Directors have been granted share options in Scancell Holdings plc as outlined in the Directors' Remuneration report. Further details of all options outstanding, including those issued to employees, and fair value calculations can be found in note 16 to the Accounts.

SUBSTANTIAL SHAREHOLDINGS

The Directors have been notified, or are aware of, the following interests in 3% or more of the ordinary share capital of the Company (excluding Directors) at 27 October 2021

	Ordinary shares at 0.1p each	
	Number	Percentage
Redmile Group LLC	241,766,065	29.66%
Vulpes Life Science Fund	117,179,029	14.37%
Calculus Capital	45,447,123	5.57%

STRUCTURE OF THE COMPANY'S CAPITAL

The Company's share capital is traded on the AIM market and comprises a single class of ordinary shares of 0.1 pence, each carrying one voting right and all ranking equally with each other. During the year the Company raised £5m by a subscription for ordinary shares from The Redmile Group LLC, a Placing of £2m and an Open Offer of £2m at a price of 5.5p per share. The Redmile Group subscribed for an additional 93,071,170 ordinary shares at a price of 13p per share in October 2020 raising £12.1 million (gross proceeds). In October 2020, Vulpes converted £1m of their Convertible Loan Notes into 16,393,242 ordinary shares and in November 2020, Redmile converted £3.25 million of their convertible loan notes into 53,326,124 ordinary shares. There was also a further Open Offer to shareholders in November 2020 of 23,301,003 ordinary shares which raised a further £3m.

The total issued share capital at 30 April 2021 is 815,218,831 ordinary shares of 0.1 pence each.

Details of employee share option schemes are set out in Note 16 to the financial statements. Participants in employee share schemes have no voting or other rights in respect of the shares subject to their awards until the options are exercised, at which time the shares rank pari passu in all respects with shares already in issue.

DIRECTORS' INDEMNITY

The Directors and officers of the Company are insured against any claims arising against them for any wrongful act in their capacity as a Director, officer or employee of the Company, subject to the terms and conditions of the policy.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. The Directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on AIM.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the

Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the auditors are unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

The auditors, BDO LLP, will be proposed for re-appointment as independent auditors at the forthcoming Annual General Meeting of the Company.

By approval of the Board on 28 October 2021.

John Chiplin
Chairman

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 April 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- the Parent Company financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Scancell Holdings Plc (the 'Parent Company') and its subsidiary (the 'Group') for the year ended 30 April 2021 which comprise the consolidated profit or loss and other comprehensive income statement, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated cashflow statement, the notes to the consolidated financial statements, including a summary of significant accounting policies, the company statement of financial position, the company statement of changes in equity, the company cashflow statement and the notes to the company financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the Directors' method for assessing going concern including the relevance and reliability of underlying data used to make the assessment, and whether assumptions and changes to assumptions from prior years are appropriate and where relevant consistent with each other. The assumptions were assessed against the Group's development plans and committed expenditure;
- Inspecting the signed deed of amendment relating to the extension of the Redmile convertible loan notes' redemption dates to August 2025 and November 2025, to confirm that no material uncertainty existed immediately beyond the Directors' period of assessment, with respect to potential redemption of those notes;
- Obtaining the list of the planned expenditures on existing identified projects and, for a sample of costs, agreed the amounts and timing to billing details and milestones as per suppliers' contracts or quotes;
- Reviewing the Directors' stress-testing of the forecasts to the extent of reasonable worst-case scenarios, solely in relation to estimates of planned operational costs being increased by various percentages, to shorten the existing cash runway to less than one year from the date of signing the Annual Report. Reviewing the adequacy and appropriateness of disclosures in the financial statements regarding the going concern assessment.

We carried out the above procedures through using our understanding of the business model, objectives, strategies and related business risk, the measurement and review of the entity's financial performance, forecasting and budgeting processes and the entity's risk assessment process.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

<table>
<tr><td>Coverage</td><td>100% (2020: 100%) of Group loss before tax
100% (2020: 100%) of Group total assets</td></tr>
<tr><td>Key audit matters</td><td><table><tr><td></td><td>2021</td><td>2020</td></tr><tr><td>Research and development: agreement accounting</td><td>✔</td><td>✔</td></tr></table></td></tr>
<tr><td>Materiality</td><td>Group financial statements as a whole

£540,000 (2020: £330,000) based on 5% of preliminary loss before tax (2020: 5% of loss before tax)</td></tr>
</table>

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The group comprises Scancell Holdings Plc and Scancell Limited (both based in UK) and full scope audits were undertaken by BDO LLP for both components. All audit work was performed by the group audit team.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter		How the scope of our audit addressed the key audit matter
Research and development: agreement accounting Relevant accounting policies	Collaboration, licensing and other partnering agreements can have accounting complexity in terms of the nature of services, licenses or other arrangements provided, and the related consideration	• We reviewed the key terms of all material ongoing third-party research agreements, including the review of any contracted costs within the agreements.

• Expenditure; • Research and development; • Creditors; • Financial instruments: Financial assets and Financial Liabilities; and • Key sources of estimation uncertainty: Agreement accounting Relevant notes • Note 11 – Trade and other receivables: Prepayments; and • Note 12 – Trade and other payables: Accruals	paid. The Group is not yet revenue generating, however has entered into numerous agreements in the current and prior years which give rise to various financial obligations. These obligations could impact any area of the financial statements however they have been determined most likely to give rise to potential undisclosed liabilities. A significant portion of research and development expenditure arises through the subsidiary company outsourcing research to third parties. At the year end management are required to calculate the associated accruals and prepayments based on the progress of the research contracts versus the amounts billed to date. Due to the nature of clinical trials, drug manufacturing processes and general research it is often difficult to estimate the length of time a particular trial or research process is going to take. As a result it can be difficult for the entity to measure what costs have been incurred in relation to outsourced research at a particular point in time and as such, based on billings received, whether project accruals and prepayments recorded are reasonably estimated. Our audit risk is focused on whether the relevant expenditure has been appropriately included in the income statement and whether prepayments and accruals are appropriately calculated and recognised. As such, agreement accounting as a whole is considered a key audit matter as it impacts multiple disclosure and balances within the financial statements.	• We tested a sample of all relevant expenses recorded during the year and agreed these to related invoices and their content to determine the correct accounting treatment and concluded if the expenditure was appropriately classified within the financial statements. Where relevant, we have obtained third party confirmation of stages of completion of a project and compared the progress against both the contract and the value of expenditure billed to date. We also confirmed that none of the expenditure met the definition under IAS38 for capitalisation. • We then agreed the year end cost position against the billing schedule as per the agreement to determine if a prepayment or accrual needed to be recognised. We also reviewed all agreements signed during the year for any clauses or terms which may indicate that a collaboration, licensing or other partnering agreement involved potential revenue to the Group, if a drug or vaccine meets certain development milestones, is approved and/or marketed. In our review, we considered the wider implications on the financial statements, including the potential requirement to disclose future contracted commitments or the possibility that a contract may contain a lease. • For a selected sample of project costs relating to research and development expenditure we obtained the underlying contracts and checked the basis on which management had recognised costs and recalculated those costs when required. We obtained management's calculation of the accrual or prepayment and checked the mathematical formulae. • We tested a sample of invoices received both during the year and after the year end to assess whether they should have been expensed, recognised as a prepayment, recognised as an accrual or if the invoice was correct not to be recognised in the financial year. The invoice details were reviewed and where relevant were traced to invoicing schedules per the contracts.

		• By reviewing the contract content to relevant invoices and the invoices to relevant contract content we were able to address the risks that not all liabilities have been recorded, that those costs recorded related to genuine contractual arrangements, and had been recorded accurately. Key observations Based on our work, we noted no significant issues regarding the judgements, estimates and assumptions made by management in accounting for the group's supplier contracts.

Our application of materiality

We apply the concept of materiality both in planning and throughout the performance of our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2021 £	2020 £	2021 £	2020 £
Materiality	540,000	330,000	450,000	300,000
Basis for determining materiality	5% of the preliminary loss before tax for the year was used, prior to certain year-end closing adjustments made by the Directors. It was not considered necessary to increase final materiality as a result of the increase in loss before tax during the audit process, as the increased loss arose predominantly due to revaluation of the derivative liability at the year-end, which we audited as a discrete transaction. Final materiality was 3.2% of final loss before tax.	5% of loss before tax	We calculated Scancell Holding PLC materiality at 83% of Group materiality in order to reduce component aggregation risk to an acceptable level for the two significant components.	

Rationale for the benchmark applied	Loss before tax is considered to be one of the principal considerations for the users of the financial statements in assessing the financial performance of the Group		The parent company primarily invests in the research subsidiary, therefore total assets is the most relevant benchmark	
Performance materiality	370,000	230,000	315,000	210,000
Basis for determining performance materiality	Performance materiality was set at 70% of the above materiality levels. In setting the level of performance materiality we considered a number of factors including the expected total value of known and likely misstatements based on past experience and other factors			

Component materiality

We calculated Scancell Limited materiality at 65% of Group materiality in order to reduce component aggregation risk to an acceptable level of the two significant components. The resulting component materiality for Scancell Limited was £350,000 (2020: £300,000).

In the audit of Scancell Limited, we further applied a performance materiality level of £245,000 (2020: £210,000), being 70% (2020: 70%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £21,000 (2020: 13,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the report and consolidated financial statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We focused on laws and regulations that could give rise to a material misstatement in the Group financial statements and the susceptibility of the entity's financial statements to material misstatement including fraud. Our procedures included, but were not limited to:

- Obtaining an understanding of the legal and regulatory frameworks through discussion with management (as required by auditing standards) and from our general commercial and sector experience that are applicable to the Group and determining that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework, rules of the London Stock Exchange for companies trading securities on AIM, International Financial Reporting Standards, the Companies Act 2006 and relevant tax compliance regulations;
- Understanding how the Group is complying with those frameworks by making enquiries of management, those responsible for legal and compliance procedures and the Company Secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee;
- Assessing the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur, and meeting with management from across the Group to understand where

there was actual and suspected fraud and whether they considered the Group was susceptible to fraud;

- Our audit planning identified fraud risks in relation to management override of controls. We obtained an understanding of the processes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors those processes and controls; and
- With regards to the fraud risk in management override, our procedures included journal transaction testing, with a focus on large or unusual transactions based on our knowledge of the business. We also performed an assessment on the appropriateness of key judgements and estimates, for example, in respect of the fair value of the derivative liability related to convertible loan notes which are subject to management's judgment and estimation, and could be subject to potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. In addition, the engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Ian Oliver
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Ian Oliver (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Reading, UK

28 October 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Scancell Holdings plc

CONSOLIDATED PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME STATEMENT
for the year ended 30 April 2021

	Notes	2021 £'000	2020 £'000
Development expenses		(6,406)	(4,667)
Administrative expenses		(3,346)	(2,115)
Grant income		918	-
OPERATING LOSS	3	(8,834)	(6,782)
Interest receivable and similar income		3	14
Interest payable	4	(1,651)	-
Finance expense relating to derivative liability	14	(6,323)	-
LOSS BEFORE TAXATION		(16,805)	(6,768)
Taxation	5	1,328	1,262
LOSS FOR THE YEAR AND TOTAL COMPREHENSIVE LOSS		(15,477)	(5,506)

LOSS PER ORDINARY SHARE (pence)	6		
Continuing			
Basic		(2.28)p	(1.21)p
Diluted		(2.28)p	(1.21)p

The notes on pages 34 to 52 form part of these financial statements

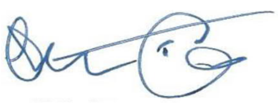
Scancell Holdings plc (Company Number: 06564638)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2021

		2021 £'000	2020 £'000
ASSETS			
Non-current assets			
Tangible fixed assets	9	692	63
Right-of-use assets	10	283	132
Goodwill	11	3,415	3,415
		4,390	3,610
Current assets			
Trade and other receivables	12	968	371
Taxation receivable	5	2,590	1,262
Cash and cash equivalents		41,110	3,575
		44,668	5,208
TOTAL ASSETS		49,058	8,818
LIABILITIES			
Non-current liabilities			
Convertible loan notes	14	(15,184)	-
Derivative liability	15	(12,031)	-
Lease Liabilities	10	(63)	(79)
		(27,278)	(79)
Current liabilities			
Trade and other payables	13	(2,087)	(1,041)
Lease Liabilities	10	(208)	(50)
		(2,295)	(1,091)
TOTAL LIABILITIES		(29,573)	(1,170)
NET ASSETS		19,485	7,648
SHAREHOLDERS' EQUITY			
Called up share capital	16	815	465
Share premium		65,019	38,388
Share option reserve		705	372
Profit and loss account		(47,054)	(31,577)
TOTAL SHAREHOLDERS' EQUITY		19,485	7,648

These financial statements were approved by the Directors and authorised for issue on 28 October 2021 and are signed on their behalf by:



John Chiplin
Director

The notes on pages 34 to 52 form part of these financial statements

Scancell Holdings plc

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2021

	Share Capital £'000	Share Premium £'000	Share Option £'000	Retained losses £'000	Total £'000
Balance 1st May 2019	388	34,638	382	(26,071)	9,337
Share issue	77	3,800	-	-	3,877
Expenses of issue	-	(50)	-	-	(50)
Loss for the year and other comprehensive income	-	-	-	(5,506)	(5,506)
Share option debit	-	-	(10)	-	(10)
Balance 30 April 2020	465	38,388	372	(31,577)	7,648
Share issue	280	23,856	-	-	24,136
Expenses of issue	-	(1,409)	-	-	(1,409)
Conversion of loan notes	70	4,184	-	-	4,254
Loss for the year and other comprehensive loss	-	-	-	(15,477)	(15,477)
Share option credit	-	-	333	-	333
Balance 30 April 2021	815	65,019	705	(47,054)	19,485

The notes on pages 34 to 52 form part of these financial statements

Scancell Holdings plc

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 30 April 2021

	2021 £'000	2020 £'000
Cash flows from operating activities		
(Loss) before tax	(16,805)	(6,768)
Adjustments for:		
Finance income	(3)	(14)
Lease interest paid	12	3
Convertible loan interest payable	1,639	-
Finance expense for derivative liability	6,323	-
Depreciation	115	22
Amortisation of right-of-use asset	134	21
Share-based payment charge/ (credit)	333	(10)
Cash used in operations before changes in working capital	(8,252)	(6,746)
(Increase)/Decrease in other receivables	(597)	307
Increase /(Decrease) in accounts and other payables	1,046	(164)
Cash used in operations	(7,803)	(6,603)
Tax credits received	-	1,831
Net cash used in operating activities	(7,803)	(4,772)
Investing activities		
Purchase of tangible fixed assets	(744)	(27)
Finance income	3	14
Net cash (used in) investing activities	(741)	(13)
Financing activities		
Proceeds from issue of share capital	24,136	3,877
Expenses of share issue	(1,409)	(50)
Proceeds from issue of convertible loan notes	23,901	-
Expenses of convertible loan notes issue	(395)	-
Lease payments	(154)	(27)
Net cash generated from financing activities	46,079	3,800
Net increase/(decrease) in cash and cash equivalents	37,535	(985)
Cash and cash equivalents at beginning of the year	3,575	4,560
Cash and cash equivalents at end of the year	41,110	3,575

The notes on pages 34 to 52 form part of these financial statements

1 ACCOUNTING POLICIES

Statutory Information

Scancell Holdings plc is a public company, limited by shares, registered and domiciled and incorporated in England and Wales. The address of its registered trading office is John Eccles House, Robert Robinson Avenue, Oxford Science Park, Oxford, OX4 4GP.

Going concern assessment

These financial statements were approved by the Board of Directors on 28 October 2021.

The Board of Directors determine the appropriate basis for preparing the consolidated financial statements and consider whether the Company and Group have sufficient financial resources to continue operating for at least a year from the date of approval of the financial statements.

The Group has already been impacted by the lock-down arising out of the COVID-19 pandemic. In the event that there is a further wave of the COVID-19 pandemic this could have an impact on patient recruitment for the clinical trials, slow down research projects and impact third parties' ability to manufacturer product, meaning delays in planned timelines. The Directors consider the COVID-19 impact to have a timing impact as the most significant risk and therefore do not consider there to be a significant risk that trials will stop indefinitely. This would not have an immediate adverse impact on bank balances as expenditure would be delayed.

The Convertible Loan Notes ('CLNs') outstanding were convertible into shares or repayable to the note holders in two tranches in August 2022 (£1.75m) and November 2022 (£17.9m). Following the year- end, the Directors have entered into a deed of amendment relating to the convertible loan notes issued by the Company held by funds managed by Redmile Group, LLC (the "Redmile Funds"). Under the terms of the deed of amendment: (a) the deed constituting the Nil Rate Unsecured Convertible Loan Notes 2020, dated 12 August 2020, is amended such that the redemption date is extended to 12 August 2025, and (b) the deed constituting the 3% Unsecured Convertible Loan Notes 2020, dated 10 November 2020, is amended such that the redemption date is extended to 10 November 2025.

Detailed cash flow projections are prepared and reviewed by the Board on a regular basis. Having considered the cash projections, and the working capital requirements of the Company and Group, including the timings of expenditure surrounding the manufacture of SCIB1, Modi-1, development work on a COVID-19 vaccine, the commencement of clinical trials and further work on the Monoclonal Antibody Platform, the Board has a reasonable expectation that sufficient resources are available to enable the Company and the Group to continue in operation for at least twelve months from the date of approval of these financial statements.

Following this review, the Board concluded that the financial statements should continue to be prepared using the going concern basis.

Basis of preparation

These financial statements have been prepared in accordance with international accounting standards in conformity with requirements of the Companies Act 2006 applicable to companies reporting under IFRS. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policies below.

The accounting policies adopted are consistent with those of the previous financial year.

As permitted by Section 408(3) of the Companies Act 2006, the Income Statement of the parent Company is not presented with these Financial Statements. The loss and other comprehensive loss of the parent Company is shown in the statement of changes in equity on page 30.

1 ACCOUNTING POLICIES (continued)

New standards and interpretation
At the date of authorisation of these financial statements a number of new Standards and Interpretations have been issued but are not yet effective and have not been applied in these financial statements.

The Directors do not believe that the adoption of these Standards and Interpretations would have a material impact on the financial statements of the Group. The Directors anticipate that the adoption of these
.
Standards and Interpretations in future periods will have no material impact on the financial statements of the Group when the relevant standards and interpretations come into effect.

BUSINESS COMBINATIONS
The financial statements consolidate the results the financial statements of the Company and its subsidiary, Scancell Limited. Unrealised gains on transactions between the Company and its subsidiary are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group since date of transition. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Any costs related to the acquisition are expensed in the period in which they are incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the acquisition over the fair value of assets and liabilities is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets of the subsidiary acquired the difference is recognised directly in the consolidated profit or loss and other comprehensive income statement.

Subsidiary:
Scancell Limited is controlled by Scancell Holdings plc. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The financial statements of the subsidiary are included in the consolidated financial statements.

Acquisitions:
On acquisition, the assets and liabilities of a subsidiary, including identifiable intangible assets, are measured at their fair value at the date of acquisition. Any excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. Goodwill is reviewed for impairment annually and any impairment is recognised immediately in the consolidated profit or loss and other comprehensive income statement. Impairment is determined by comparing the recoverable amount of goodwill with its carrying value. For goodwill, the carrying value is compared to the market capitalisation of Scancell Holdings plc, as quoted on AIM at the year end. The recoverable amount is the greater of an asset's value in use or its fair value less costs to sell. Where the recoverable amount is less than the carrying value, the asset is considered impaired and is written down through the consolidated profit or loss and other comprehensive income statement to its recoverable amount.

The results and cash flows relating to the business are included in the consolidated accounts from the date of combination.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS
At each balance sheet date, the Group reviews the carrying amounts of Goodwill. For all tangible assets, and the investment in subsidiary, the group on an annual basis determines whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the

1 ACCOUNTING POLICIES (continued)

asset is estimated in order to determine the extent of the impairment loss (if any). An impairment loss is immediately recognised as an expense, in the consolidated profit or loss and other comprehensive income

statement. The recoverable amount is the greater of an asset's value in use or its fair value less costs to sell. Where the recoverable amount is less than the carrying value, the asset is considered impaired and is written down through the consolidated profit or loss and other comprehensive income statement to its recoverable amount less costs to sell.

EXPENDITURE
All expenditure is accounted for on an accruals basis and is classified under headings that aggregate all costs related to the category of expenditure.

TANGIBLE FIXED ASSETS
Tangible fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery	- 25% on reducing balance
Furniture & fittings	- 25% on reducing balance
Computer Equipment	- 33% on reducing balance

Amortisation is provided on the right-of-use asset over the period of the lease to which it relates.

TAXATION
Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all temporary differences identified at the balance sheet date, except to the extent that the deferred tax arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit. Temporary differences are differences between the carrying amount of the Group's assets and liabilities and their tax base.

Deferred tax liabilities may be offset against deferred tax assets within the same taxable entity. Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxation profits, within the same jurisdiction, in the foreseeable future against which the deductible temporary differences can be utilised.

INVESTMENTS
Investments in subsidiaries are stated at cost less any provisions for impairment. An impairment is recognised when the recoverable amount of the investment is less than the carrying amount.

Investments are presented in Scancell Holdings plc company figures, not in the consolidated financial statements.

RESEARCH AND DEVELOPMENT
Expenditure on research and development activities is expensed in the year in which it is incurred.

An internally generated asset arising from the Group's development activities is only recognised if all of the following criteria are met:
- technical feasibility of completing the intangible asset so that it will be available for sale
- intention to complete the intangible asset and use or sell it
- ability to use or sell the intangible asset

1 ACCOUNTING POLICIES (continued)

RESEARCH AND DEVELOPMENT (continued)

- the intangible asset will generate future economic benefit
- resources are available both technically and financially in order to complete the development.

In the case of development projects undertaken by the Group, regulatory and other uncertainties generally mean that such criteria are not met. Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

GRANT INCOME
Grant Income relates to funding by Innovate UK in respect of Scancell's successful application for the UKRI competition 'Ideas to address COVID-19'. The funding relates to relevant expenditure incurred between 1 October 2020 and 31 March 2022. The income included in these financial statements relates to expenditure incurred up to 30 April 2021.

IFRS16
The Group adopted IFRS 16 Leases with effect from 1 May 2019 and the accounting policy is detailed in note 9. This has resulted in the Group's lease with the University of Nottingham and Regus being brought onto the statement of financial position, as both a right-of-use asset and a lease liability. The right-of-use asset and lease liability are both based on the present value of lease payments due over the term of the lease, with the asset being amortised evenly over the period of the lease and the liability increased for the accretion of interest and reduced by lease payments.

FOREIGN CURRENCIES
Foreign currency assets and liabilities are converted to sterling at the rates of exchange ruling at the end of the financial year. Transactions in foreign currencies are converted to sterling at the rates of exchange ruling at the transaction date. All of the resulting exchange differences are recognised in the profit and loss account as they arise.

CASH AND CASH EQUIVALENTS
Cash includes cash-in-hand and deposits held at call with banks.

CREDITORS
Creditors are recognised when the Company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount to be settled can be reliably measured or estimated.

INTER-COMPANY LOAN
The inter-company loan from Scancell Holdings plc to its subsidiary, Scancell Limited, is recorded at cost, is interest free and has no repayment terms.

Annually the intercompany loan is assessed for impairment in line with IFRS 9. The expected credit loss model is used to determine the present value of the intercompany receivable. The 12-month model has been used to determine the expected credit loss.

This loan is eliminated in preparing the consolidated financial statements.

EQUITY
Equity comprises the following:

- Share capital represents the nominal value of equity shares.
- Share premium represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- Retained earnings include all current and prior period results as disclosed in the consolidated profit or loss and other comprehensive income statement.

1 ACCOUNTING POLICIES (continued)

EQUITY (continued)

- Share-based payment reserve is the corresponding entry to the expense arising from equity-settled share-based payments.

FINANCIAL INSTRUMENTS
Financial assets and financial liabilities are recognised on the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets
The Group has no revenues and its financial assets, measured at amortised cost comprise other receivables, other financial assets and cash and cash equivalents in the consolidated statement of financial position. Other financial assets comprise short-term deposits not meeting the IAS7 definition of cash equivalent. Cash and cash equivalents include cash in hand, deposits held at call with banks.

Financial liabilities
Financial liabilities include trade and other payables and convertible loan notes.
Trade and other payables, and the convertible debt host contract liability are measured initially at fair value and subsequently carried at amortised cost using the effective interest rate method.

Fair value through profit or loss
This category comprises solely the conversion element of the convertible loan notes issued during the year ended 30 April 2021.They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income. The Group does not hold or issue derivative instruments for speculative purposes, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

Convertible loan notes
Convertible loan notes issued by the Group allow the holder the right to exchange all outstanding loan notes, and all accrued interest thereon for a class of equity in the Parent Company. The conversion right arises at the conversion price on the conversion date, either:
- Automatically on the completion of certain future events; or
- At election of a noteholder under certain conditions.

The Group assesses whether the transaction price relates to both the underlying financial instrument and the warrants issued representing the same economic arrangement, and therefore fair value of the whole arrangement. The Group subsequently assesses whether the underlying financial instrument (loan notes) and the conversion feature should be classified as a liability or equity instrument. As part of this assessment, the Group considers whether the conversion feature is closely related to the host contract, requiring a separate assessment of the host contract and the conversion feature. It was determined that the conversion feature was not closely related to the host contract, meeting the criteria for recognition as a separate embedded derivative.

Loan note: It was determined that the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle the contractual obligation, meeting the criteria to be recognised as a financial liability.

Conversion feature: It was determined that there are a number of settlement outcomes where the Group is not required to settle the loan notes with a fixed number of its own equity instruments, meeting the criteria to be recognised as a financial liability.

1 ACCOUNTING POLICIES (continued)

Convertible loan notes (continued

The fair value of the conversion feature was determined, and the residual value of the overall transaction price is assigned to the debt host contract liability and subsequently measured at amortised cost. The embedded derivative liability is subsequently measured at fair value at each reporting date and changes are recorded in net finance income/(expense). Transaction costs are apportioned to the debt liability and the embedded derivative. The amounts attributed to the conversion feature are expensed, and the portion of transaction costs that are attributed to the loan are added to the carrying amount of the financial liability and amortised using an effective interest rate through interest expense.

Upon the conversion of the loan notes or part of them to shares at a conversion date, the carrying amount of the related liability is de-recognised from the convertible loan notes balance and the derivative liability balance with any gain or loss versus the contractual exercise price on conversion being credited or charged through 'finance expense -derivative liability' in the profit or loss and other comprehensive income statement.

SHARE BASED PAYMENTS
In accordance with IFRS2 – 'Share based payments', a charge is made for all share –based payments including share options based upon the fair value of the instrument issued.

Under IFRS 2 the charge in the Profit or Loss and Other Comprehensive Income Statement for granted share options is based upon the fair value of the options at grant date and is charged over the expected vesting period. Estimates of leaver rates are taken into account over the vesting period. A charge has been recognised for all awards granted and is charged to the same expense category as the remuneration costs for the employee to whom the share award has been made. An equivalent amount is credited to the share option reserve in the balance sheet, with no resulting impact on net assets. The share options have been granted to Directors and employees in the subsidiary Company, Scancell Limited. Within Scancell Holdings plc, the parent Company, a credit has been made to the share option reserve whilst the debit is treated as an increase in the investment value of the subsidiary Company.

EMPLOYEE BENEFITS
The costs of short-term employee benefits are recognised as an expense when the services have been rendered by the employee, any costs not paid to the employee after year end are recognised as a liability. The cost of any unused holiday entitlement is accrued at the balance sheet date, if the employee has unused holiday entitlement.

RETIREMENT BENEFITS
For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Key sources of estimation and uncertainty
The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the financial statements such as intangible assets. Although these estimates are based upon management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates. In the process of applying the Group's accounting policies, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements:

1 ACCOUNTING POLICIES (continued)

Derivative financial liabilities
Instruments determined to be a derivative financial liability are recognised at fair value, based on the transaction price, and subsequently re-measured at each reporting date at fair value through profit and loss.

The fair value of the conversion element of convertible loan notes are calculated using a Black Scholes pricing model, which includes a number of inputs subject to estimation, the most sensitive of which are the expected volatility (98%).

Investment in subsidiary
Judgement is required by the Directors to assess the carrying value of the Company's loan to their subsidiary.

Scancell Holdings plc holds an intercompany receivable of £343k with Scancell Limited as at 30 April 2021 (2020: £208k). The key estimates and assumptions assessed in 2021 were deemed by management to have an immaterial impact on the recoverability of the asset.

Share-based payments
In calculating the fair value of equity-settled share-based payments using the Black-Scholes option pricing model, the Directors are required to exercise their judgement in determining input parameters which may have a material effect on the fair value calculated. Judgement is also required in determining the fair value of share options with a hurdle price embedded into them.

Note 17 outlines the key judgements used in determining the fair value of the options granted in the year.

These judgements may have a material effect on the fair value calculated.

Agreement accounting
The group have entered into many different supplier contracts regarding research and development. These agreements often contain up-front payments and milestone payments. The agreements span a wide period and therefore management and the board must continuously monitor the ongoing status of research and development projects performed by suppliers to ensure that the correct costs are reflected accurately in the financial statements. Often the stage of progress of a project is difficult to determine and therefore relies upon key judgement.

The majority of research and development expenditure is formed as a result of entering into a contract. The areas of the financial statements impacted by the agreements include prepayments, accruals, commitments disclosures, research and development expenditure and the research and development tax claim.

2 SEGMENT REPORTING
The Directors consider that the Group operated within a single business segment.

3 OPERATING LOSS

	2021 £'000	2020 £'000
Operating Loss is stated after charging:		
Depreciation on tangible fixed assets	115	22
Amortisation of right-of-use asset	134	21
Short-term leases out of IFRS 16 scope	-	123
Research and development	6,406	4,667
Auditors' remuneration – fee payable for audit of the company	25	20
Auditors' remuneration – fee payable for audit of the subsidiary company	22	20
Directors' remuneration	1,015	745

4. INTEREST PAYABLE

	2021	2020
	£'000	£'000
Lease interest	12	-
Loan interest	1,639	-
	1,651	-

5 TAXATION

Analysis of the tax credit
The tax credit on the loss on ordinary activities for the year was as follows:

	2021	2020
Current tax	£'000	£'000
UK corporation tax credits due on R&D expenditure	1,288	1,262
Adjustment to prior year	40	-
	1,328	1,262

Factors affecting the tax credit
The tax assessed for the years is lower than the applicable rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£'000	£'000
Loss on ordinary activities before tax	(16,805)	(6,768)
Loss on ordinary activities multiplied by the small company rate of tax in the UK (19 %)	(3,193)	(1,286)
Effects of:		
Disallowed expenditure	1,632	27
Other differences	17	(2)
Enhanced tax relief on R&D expenditure	(967)	(947)
Reduced tax relief for losses surrendered for R&D tax credits	396	420
Prior year (under)/ over provision	(40)	-
Unrelieved losses carried forward	827	526
Current tax (credit)	(1,328)	(1,262)

The Group has tax losses to carry forward against future profits of approximately £26.65 million (2020: £21.72 million).

A deferred tax asset has not been recognised in respect of these losses as the Group does not anticipate sufficient taxable profits to arise in the foreseeable future to fully utilise them.
The estimated value of the deferred tax asset not recognised measured at the prevailing rate of tax when the timing differences are expected to reverse is £4.93million (2020: £4.12 million). At 30 April 2021 the rate of tax was 19% (2020: 19%) was used to calculate the deferred tax liability

Taxation receivable is £2,590,000 (2020: £1,210,793).

6. LOSS PER SHARE

Basic loss per share
The earnings and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

	2021	2020
	£'000	£'000
Loss used in calculation of basic loss per share	(15,477)	(5,506)
	Number	Number
Weighted average number of ordinary shares of 0.1p each for the calculation of basic loss per share	678,628,780	456,218,743

Diluted loss per share
As the Group is reporting a loss from continuing operations for both years then, consequentially, the share options are not considered dilutive because the exercise of the share options would have the effect of reducing the loss per share.

At the year end the issued share capital amounted to 815,218,831 ordinary shares.

7 STAFF COSTS

	2021	2020
	£	£
Directors' salaries	1,015	745
Wages and salaries	1,121	995
Social security costs	246	200
Pension costs	34	25
	2,414	1,965

A charge for share based payments totalling £333,627 (2020: £10,307 credit) was made in the year. This has arisen as a result of the issuing of new share options on 30 April 2020.

	2021	2020
	No.	No.
The average monthly number of persons during the year was:		
Research employees	21	19
Other employees	4	3
	25	22

8 REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key management are defined as the statutory Directors of the company. Remuneration of key management personnel for the year is:

Professor L Durrant received salary of £314,062 (2020: £201,250); Dr RM Goodfellow received salary of £18,750 (2020: £20,000); Dr C Holloway received a salary of £384,375 (2020: £287,500); Dr S E Adams received a salary of £258,305 (2020: £212,438); Dr U Ney received a salary of £22,917 (2020: £11,438); and Ms S. Clement Davies received a salary of £15,062 (2020: £nil). Details of consulting services provided by these directors are disclosed in note 18.
During the year the Company made pension contributions of £1,316 on behalf of Dr Cliff Holloway and £3,983 on behalf of Dr Sally Adams.

9 TANGIBLE FIXED ASSETS

current year	Computer Equipment £'000	Fixtures and Fittings £'000	Laboratory Equipment £'000	Total £'000
COST				
As at 1 May 2020	51	3	533	587
Additions	17	10	717	744
As at 30 April 2021	68	13	1,250	1,331
DEPRECIATION				
As at 1 May 2020	39	1	484	524
Charge for the year	7	3	105	115
As at 30 April 2021	46	4	589	639
NET BOOK VALUE				
At 30 April 2021	22	9	661	692
At 1 May 2020	12	2	49	63

prior year	Computer Equipment £'000	Fixtures and Fittings £'000	Laboratory Equipment £'000	Total £'000
COST				
As at 1 May 2019	44	3	513	560
Additions	7	-	20	27
As at 30 April 2020	51	3	533	587
DEPRECIATION				
As at 1 May 2019	34	0	468	502
Charge for the year	5	1	16	22
As at 30 April 2020	39	1	484	524
NET BOOK VALUE				
At 30 April 2020	12	2	49	63
At 1 May 2019	10	0	48	58

10. LEASES

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

The Company has two leases. One lease with the University of Nottingham for office and laboratory space and another, which it entered into during the year with Regus which provides the Company with office space in Oxford. In August 2021, post year end, the Company entered into five-year lease with The University of Oxford Science Park for additional office and laboratory space.

The Regus Lease has been accounted for by recognising a right-of-use asset and a lease liability. The lease liability has been measured at the present value of the contractual payments due to the lessor over the lease term using an incremental borrowing rate of 5%, which is an estimate of the discount rate applicable to a property lease. The right-of-use asset has been initially measured at the amount of the lease liability. Subsequent to initial measurement the lease liability increases as a result of interest charged at a constant rate on the balance outstanding and is reduced for any lease payments made. Right-of-use assets are depreciated on a straight-line basis over the remaining term of the lease.

	Land and Buildings £'000	Total £'000
RIGHT- OF-USE ASSET		
As at 1 May 2019	-	-
Additions	153	153
Depreciation	(21)	(21)
At 30 April 2020	132	132
Additions	285	285
Depreciation	(134)	(134)
At 30 April 2021	283	283
LEASE LIABILITIES		
As at 1 May 2019	-	-
Additions	153	153
Interest expense related to lease liabilities	3	3
Repayments	(27)	(27)
At 30 April 2020	129	129
Additions	284	284
Interest expense related to lease liabilities	12	12
Repayments	(154)	(154)
At 30 April 2021	271	271

LEASE LIABILITIES	Up to three months £'000	Between 3 and 12 months £'000	Between one and two years £'000
At 30 April 2021	45	163	63
At 30 April 2020	13	37	79

ANALYSIS OF LEASE EXPENSE	2021 £'000	2020 £'000
Depreciation of right-of-use assets		
Land and buildings	134	21
Charge to operating loss	134	21
Interest expense related to lease liabilities	12	3
Charge to loss before taxation for leases	146	24

11. GOODWILL

	£'000
Cost at 1 May 2019 and 2020	3,415
Additions	-
Carrying value at 30 April 2020 and 2021	3,415

Goodwill is allocated to cash generating units ('CGU') and in the opinion of the Directors the Group consists of a single CGU. The goodwill arose on the acquisition of the wholly owned subsidiary Company, Scancell Limited. The Directors have carried out an impairment review of the goodwill arising on the acquisition of Scancell Limited. The Group has no budgeted revenues for the foreseeable future and so the Directors have compared the market capitalisation of Scancell Holdings plc, as quoted on AIM at the year end with the carrying value of goodwill and concluded that no impairment is necessary.

At 30 April 2021, the market capitalisation of the Company was £179.4 million (2020: £37.9 million).

12 TRADE AND OTHER RECEIVABLES

	2021	2020
	£'000	£'000
VAT receivable	247	66
Prepayments	721	305
	968	371

13 TRADE AND OTHER PAYABLES

	2021	2020
	£'000	£'000
Trade payables	821	395
Taxation and social security	64	61
Accruals	1,202	585
	2,087	1,041

14 CONVERTIBLE LOAN NOTES

	2021	2020
Non-current	£'000.	£'000.
Convertible Loan Notes 1 (convertible or repayable by 12 August 2022)		
Issued in the year	3,895	-
Conversion to share capital	(2,875)	-
	1,020	-
Interest expense	327	-
	1,347	-
Convertible Loan Notes 2 (convertible or repayable by 10 November 2022)		
Issued in the year	12,525	-
Interest expense	1,312	-
	13,837	-
Total Convertible loan notes at 30 April 2021	15,184	-

On 12 August 2020, the Company issued convertible loan notes ('CLN1') with a value of £6m to Redmile Group (£5m) and Vulpes (£1m) These notes are interest free and convertible into ordinary shares of Scancell Holdings plc at 6.1 pence per share at any time at the option of the holder or are repayable on the second anniversary of the date of issue. Transaction costs of £265k have been offset against the convertible loan notes liability. The convertible loan notes are unsecured.

CONVERTIBLE LOAN NOTES (continued)

During the year the Company has converted £4.25m of CLN1 (Redmile £3.25m; Vulpes £1m) into ordinary shares of 1p at a price of 6.1p per share

Another tranche of convertible loan notes ('CLN2') with a value of £17.9 million were issued to Redmile Group on 10 November 2020. These notes have a coupon of 3% per annum and are convertible into ordinary shares of Scancell Holdings plc at 13 pence per share at any time at the option of the holder, or are repayable on the second anniversary of the date of issue. Transaction costs of £395k have been offset against the convertible loan notes liability. The convertible loan notes are unsecured.

15 DERIVATIVE FINANCIAL LIABILITY

	2021	2020
Non-current	£'000.	£'000.
Brought forward	-	-
Fair value at recognition	7,110	-
Derecognition of gain or loss on conversion of loans to shares	(1,402)	-
	5,708	-
Fair value loss in the year	6,323	-
	12,031	-

Financial instruments that are measured subsequent to initial recognition at fair value are grouped into three levels based on the degree to which the fair value is observable as defined by IFRS 13:

- Level 1 fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets and liabilities;
- Level 2 fair value measurements are those derived from inputs, other than quoted prices included within Level 1, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

The derivative financial instrument included in the Statement of financial position, which is classified as a Level 3 derivative financial instrument, is the fair value of the conversion option of the convertible loan notes issued to Redmile Group LLC and Vulpes. The fair value has been determined using the Black Scholes model and is determined at the initial recognition of the liability and then at each subsequent reporting date, using an estimated volatility, a risk-free rate, a dividend yield, expected term, exercise price and end of year market price., as follows

	Inception 12 August 2020	Year end 30 April 2021	Inception 10 November 2020	Year end 30 April 2021
Estimated volatility (%)	82.32	97.77	82.43	97.77
Risk-free interest rate (%)	0.210	0.77	0.310	0.77
Dividend yield (%)	0	0	0	0
Expected term (years	0.75	1.28	0.75	1.53
Market share price (p)	6.95	22.0	13.38	22.0

Changes to the fair value are recognised in finance expense in the Consolidated profit or loss and other comprehensive income statement

16 SHARE CAPITAL

	2021 No.	2020 No.
Allotted, issued and fully paid		
0.1p ordinary shares		
Number of shares in issue at 1st May	465,355,867	387,796,556
Shares issued during the year:		
June 2019 subscription for shares	-	77,559,311
August 2020 - placing, subscription and open offer	163,771,225	-
October 2020 – subscription for shares	93,071,170	-
October 2020 – conversion of convertible loan note	16,393,442	
November 2020 – conversion of convertible loan notes	53,326,124	-
November 2020 – open offer to shareholders	23,301,003	-
		-
Number of shares in issue at 30 April	815,218,831	465,355,867

SHARE CAPITAL (continued)

	2021 £'000.	2020 £'000.
Allotted, issued and fully paid		
0.1p ordinary shares	815	465

On 12 August 2020 the Company raised £9,007k gross proceeds from the placing, subscription and open offer of 163,771,225 ordinary 0.1p shares at a price of 5.5 pence per share. Redmile Group LLC subscribed for a further 93,071,170 shares at a price of 13 pence per share on 14 October 2020.

On 26 October 2020 Vulpes converted their £1m convertible loan note into 16,393,442 ordinary 0.1p shares at a conversion price of 6.1 p per share Redmile Group LLC converted £3.25m of their convertible loan note into 53,326,124 ordinary 0.1p shares at a conversion price of 6.1p per share on 2 November 2020.

On 6 November 2020 the Company raised a further £3m by an Open Offer to shareholders of 23,301,003 ordinary shares at a price of 13p per share.

All shares rank pari passu with voting rights and entitlement to dividend.

17 SHARE OPTIONS

The parent Company, Scancell Holdings plc, has granted options to members of staff as follows:

Share Scheme	Grant Date	Exercise Price	Number of shares	Period within which options are exercisable From	To
EMI	02.09.14	33.0p	40,000	02.09.17	02.09.24
	31.01.18	10.5p	5,772,302	31.01.18	31.01.28
	08.11.19	5.25p	180,000	08.11.19	08.11.29
	30.04.20	8.15p	1,000,000	30.04.20	30.04.30

The market price of the shares at 30 April 2021 was 22p and, the range during the year was 5.14p to 27.5p. Options may normally be exercised in whole or in part within the period of three to ten years after the date of the grant.

Further unapproved shares have been issued as follows:

17 SHARE OPTIONS (continued)

Further unapproved shares have been issued as follows:

Share Scheme	Grant Date	Exercise Price	Number of shares	Period within which options are exercisable From	To
Unapproved	29.06.10	4.5p	3,184,630	28.02.13	23.04.22
	10.12.13	33.2p	3,500,000	11.12.14	31.12.23
	18.04.16	17.0p	3,000,000	18.04.17	18.04.26
	31.01.18	10.5p	9,621,950	31.01.18	31.01.28
	30.04.20	8.15p	5,000,000	30.04.21	30.04.30
	30.07.20	4.5p	6,730,000	30.07.20	30.07.23

At 30 April 2021 the following options are held by Directors of the Company:

	Options At 30.04.20	Additions in the year	Cancelled or lapsed in the year	Options at 30.04.21	Exercise price	Date first exercisable	Expiry date
EMI Scheme							
L Durrant	3,850,000		3,850,000	-	4.5p	02.12.11	14.07.20
R Goodfellow	2,880,000		2,880,000	-	4.5p	02.12.11	14.07.20
S Adams	2,439,024			2,439,024	10.5p	31.01.18	31.01.28
C Holloway	2,439,024			2,439,024	10.5p	31.01.19	31.01.28
Unapproved							
L Durrant	9,000,000			9,000,000	10.5p	31.01.18	31.01.28
L Durrant	1,000,000			1,000,000	8.15p	30.04.20	30.04.30
L Durrant		3,850,000		3,850,000	4.5p	30.07.20	30.07.23
R Goodfellow	3,500,000			3,500,000	33.2p	10.12.14	31.12.23
R Goodfellow	1,000,000			1,000,000	8.15p	30.04.20	30.04.30
R Goodfellow		2,880,000		2,880,000	4.5p	30.07.20	30.07.23
J Chiplin	3,000,000			3,000,000	17.0p	18.04.16	18.04.26
J Chiplin	1,000,000			1,000,000	8.15p	30.04.20	30.04.30
S Adams	60.975			60,975	10.5p	31.01.18	31.01.28
S Adams	1,000,000			1,000,000	8.15p	30.04.20	30.04.30
C Holloway	560,975			560,975	10.5p	31.01.19	31.01.28
.C Holloway	1,000,000			1,000,000	8.15p	30.04.20	30.04.30

The weighted average exercise prices over the year were as follows:

	Number	Exercise Price
Enterprise Management Scheme		
Revised number of options outstanding at 1 May 2020	13,819,064	7.5p
Additions in the year	-	-
Cancellations/lapsed in the year	(6,826,764)	4.5p
Number of options outstanding at 30 April 2021	6,992,302	10.1p
Number of EMI options exercisable at 30 April 2021	6,992,302	10.1p
Unapproved Scheme		
Revised number of options outstanding at 1 May 2020	24,306,580	13.3p
Additions in the year	6,730,000	4.5p
Number of options outstanding at 30 April 2021	31,036,580	11.4p

17 SHARE OPTIONS (continued)

Number of unapproved options exercisable at 30 April 2021	22,556,580	11.8p
Number of unapproved options not exercisable at 30 April 2021	8,480,000	10.42p

Within the unapproved options are those granted to Ichor Medical Systems Inc. ("Ichor") pursuant to the License and Supply Agreement ('the Agreement') dated 13 July 2009. Under the terms of the Agreement, Ichor agreed to supply its TriGrid™ electroporation device for Scancell's pre-clinical and forthcoming clinical studies with SCIB1 and gave Scancell an option to license TriGrid™ for commercial use on achievement of certain milestones and payment of royalties. In return, Ichor was granted options to subscribe for ordinary shares in the Company. The options have been granted at 4.5p per share and vest as follows.

3,184,630 on completion of first Phase II clinical trial each tranche of the options may be exercised at any time in the five-year period after the relevant vesting date.

All share options are equity settled. All options are subject to time vesting schedules (normally three years) to ensure retention and stretching performance hurdles to ensure that rewards are consistent with delivery of strategic goals. Examples of performance hurdles include progress in clinical development programs, partnering. The options grant on 31 July 2020 will only vest upon the sale of the group.

18 SHARE BASED PAYMENTS

The Company operates a number of share-based incentive schemes as detailed in note 17 above. The fair value of the awards granted and the assumptions used in the calculations are as follows:

Date of Grant	Type of Award	Number of Awards	Exercise Price	Share price at grant date	Fair value per option
29 June 2010	Unapproved	3,184,630	4.5p	6.0p	2.2p
10 December 2013	Unapproved	3,500,000	33.2p	36.0p	4.0p
5 September 2014	EMI	80,000	33.0p	33.75p	6.0p
18 April 2016	Unapproved	3,000,000	17.0p	17.0p	3.0p
31 January 2018	EMI	5,829,064	10.5p	10.25p	1.0p
31 January 2018	Unapproved	9,621,950	10.5p	10.25p	1.0p
8 November 2019	EMI	180,000	5.25p	5.25p	1.0p
30 April 2020	EMI	1,000,000	8.15p	8.15p	7.0p
30 April 2020	Unapproved	5,000,000	8.15p	8.15p	7.0p

A description of the key assumptions used in calculating the share-based payments follows.

1. The Black-Scholes valuation methodology was used where appropriate.
2. The expected volatility is based upon historical volatility over a period of time and was 91.4% (2020: 90.9%)
3. The expected life used in the model varies between two and five years and is based upon management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations.
4. The risk-free rate is based upon the prevailing UK Government bonds with similar maturity to the expected life at grant date.
5. Expected dividend yield is nil.
6. The weighted average fair value of options granted in the year was 0p (2020: 7.0p)

19 RELATED PARTY TRANSACTIONS

During the year, the following directors provided consultancy services to the company as follows:

	2021 Total	2020 Total
Dr R.M Goodfellow	£57,676	£67,500
Dr J Chiplin	£110,155	£117,500
Dr A Lewis	£13,978	£25,000

At the end of the year there were no balances outstanding:

Dr J Chiplin provided his consultancy services through a limited company.

In addition to the above the Scancell Limited has a current account with its parent company, Scancell Holdings plc. At the year end the balance owing to Scancell Holdings plc amounted to £343,165 (2020: £200,911) and included a management charge from the parent company Scancell Holdings plc to Scancell Limited of £343,165 (2020: £200,911). The current account balance is interest free and there are no set repayment terms.

20 FINANCIAL INSTRUMENTS

The Group currently finances its operations through reserves of cash and liquid resources and does not have a borrowing requirement. Surplus cash at bank is placed on deposits at variable rates. The Board monitors the financial markets and the Group's own requirements to ensure that the policies are exercised in the Group's best interests.

Liquidity risk

Liquidity risk is the risk that the Group and Company will not be able to meet their financial obligations as they fall due. The Group and Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group and Company's reputation.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and exchange rates will affect the Group and Company's income or the value of the holdings of financial instruments. The objective of market

risk management is to manage and control market risk exposures within acceptable parameters whilst optimising the return.

The Group has no cash assets other than sterling current account balances of £41,110,240 (2020: £3,575,227) which are instantly available funds attracting variable rates of interest.

Credit risk

Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from a Company's receivables from Customers. The Group and Company have no third-party customers and so this risk is viewed as minimal. Credit risk is considered for intercompany loans however the risk is mitigated through the management of those loans by way of regular capital contributions.

Maturity of financial liabilities

Except for the Convertible Loan Notes and Derivative financial liabilities all other financial liabilities as at 30 April 2021 are payable within twelve months.

20 FINANCIAL INSTRUMENTS (continued)

The following table sets out the contractual maturities (representing undiscounted contractual cashflows) of financial liabilities.

At 30 April 2021	Up to 3 months	Between 3 and 12 months	Between 1 and 2 years
	£'000	£'000	£'000
Trade and other payables	2,022	-	-
Lease liabilities	45	163	63
Convertible loan notes	-	-	15,184
Derivative financial liabilities			12,031
Total	2,067	163	27,313

Fair values

All of the Group's financial assets and liabilities are initially recognised at transaction value. There is no material difference between the book value and the fair value, except for convertible loan and derivative liabilities which are initially recognised at fair value, of the Group's financial assets or liabilities for those items carried at amortised cost.

The Group's financial instruments comprise cash and cash equivalents and items such as trade and other payables which arise directly from its operations. The main purpose of these financial instruments is to provide finance for the Group's operations.

Financial instruments

	2021	2020
	£'000	£'000
Cash assets		
Cash and cash equivalents	41,110	3,575
Financial liabilities		
Trade and other payables	(2,022)	(1,041)
Lease liabilities	(271)	(129)
Convertible loan notes	(15,184)	-
Derivative financial liability	(12,031)	-
Total financial liabilities	(29,508)	(1,170)

21 AMOUNTS PAYABLE UNDER LEASE ARRANGEMENTS

Total future minimum lease payments under non-cancellable operating leases (short term or low value) which do not fall within the scope of IFRS 16 are as follows:

	2021	2020
Land and buildings	£'000	£'000
Within one year	nil	126
Between one and five years	nil	86
Later than five years	-	-
	nil	212

22 SUBSEQUENT EVENTS

Post year end, on 28 July 2021, Professor Lindy Durrant, founder, Board Director and Chief Scientific Officer of Scancell was appointed Chief Executive Officer of Scancell Holdings plc following Dr Cliff Holloway decision

22 SUBSEQUENT EVENTS (continued)

to step down as a Board Director and CEO.

On 23rd August 2021, Scancell Limited entered into a five year lease agreement with The Oxford Science Park for additional laboratory and office space in the Bellhouse Building at the Oxford Science Park. These new premises, which are complementary to Scancell's laboratories in the Biodiscovery Institute at the University of Nottingham, will allow the Company to further accelerate the development of its portfolio of immunotherapies

Following the year- end, the Directors have entered into a deed of amendment relating to the convertible loan notes issued by the Company held by funds managed by Redmile Group, LLC (the "Redmile Funds"). Under the terms of the deed of amendment:

a. the deed constituting the Nil Rate Unsecured Convertible Loan Notes 2020, dated 12 August 2020, is amended such that the redemption date is extended to 12 August 2025, and
b. the deed constituting the 3% Unsecured Convertible Loan Notes 2020, dated 10 November 2020, is amended such that the redemption date is extended to 10 November 2025.

Scancell Holdings plc

COMPANY STATEMENT OF FINANCIAL POSITION

As at 30 April 2021

		2021	2020
ASSETS		£'000	£'000
Non-current assets			
Investments	A	56,300	34,066
		56,300	34,066
Current assets			
Trade and other receivables	B	388	250
Cash and cash equivalents		26,981	3,108
		27,369	3,358
TOTAL ASSETS		83,669	37,424
LIABILITIES			
Current Liabilities			
Trade and other payables	C	(174)	(167)
Non-current liabilities			
Convertible loan notes	14	(15,184)	-
Derivative liability	15	(12,031)	-
		(27,215)	-
TOTAL LIABILITIES		(27,389)	(167)
NET ASSETS		56,280	37,257
SHAREHOLDERS' EQUITY			
Called up share capital	16	815	465
Share premium		65,019	38,388
Share option reserve		705	372
Profit and loss account		(10,259)	(1,968)
TOTAL SHAREHOLDERS' EQUITY		56,280	37,257

The Company's loss and total comprehensive loss for the financial year was £8,290,656 (2020: loss £196,942).

These financial statements were approved by the Directors on 28 October 2021 and are authorised for issue and are signed on their behalf by:

John Chiplin
Director

Scancell Holdings plc

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 30 April 2021

	Share Capital £'000	Share Premium £'000	Share Option £'000	Retained Earnings £'000	Total £'000
Balance 30 April 2019	388	34,638	382	(1,771)	33,637
Share issue	77	3,800	-	-	3,877
Expenses of issue	-	(50)	-	-	(50)
Loss for the year	-	-	-	(197)	(197)
Share option charge	-	-	(10)	-	(10)
Balance 30 April 2020	465	38,388	372	(1,968)	37,257
Share issue	280	23,856	-	-	24,136
Expenses of issue		(1,409)	-	-	(1,409)
Conversion of loan notes	70	4,184	-	-	4,254
Loss for the year	-	- -		(8,291)	(8,291)
Share option charge	-	-	333	-	333
Balance 30 April 2021	815	65,019	705	(10,259)	56,280

Scancell Holdings plc

COMPANY CASHFLOW STATEMENT

for the year ended 30 April 2021

	2021 £'000	2020 £'000
Cash flows from operating activities		
(Loss) before tax	(8,291)	(197)
Adjustments for:		
Finance income	(2)	(12)
Convertible loan interest payable	1,639	-
Finance expense for derivative liability	6,323	-
Cash flows used in operations before changes in working capital	(331)	(209)
(Increase) in other receivables	(138)	(211)
Increase in accounts and other payables	7	6
Cash used in operations	(462)	(414)
Tax credits received	-	-
Net cash used in operating activities	(462)	(414)
Financing activities		
Proceeds from issue of share capital	24,136	3,877
Expenses of share issue	(1,409)	(50)
Proceeds from issue of convertible loan notes	23,901	-
Expenses of convertible loan notes issue	(395)	-
Finance income	(27)	12
Net cash generated from financing activities	46,235	3,839
Investing activities		
Capital contribution to subsidiary company	(21,900)	(2,208)
Cash used in investing activities	(21,900)	(2,208)
Net increase in cash and cash equivalents	23,873	1,217
Cash and cash equivalents at beginning of the year	3,108	1,891
Cash and cash equivalents at end of the year	26,981	3,108

A FIXED ASSET INVESTMENTS

COMPANY - shares in Group undertaking	£'000
Cost at 1 May 2019	4,943
Capital contribution to subsidiary company	29,133
Share options granted/cancelled	(10)
Cost at 30 April 2020	34,066
Capital contribution to subsidiary company	21,900
Share options granted/cancelled	334
Cost at 30 April 2021	56,300

The Company's investment at the balance sheet date represents 100% of the ordinary share capital of its subsidiary Company, Scancell Limited, registered in the UK whose business is the discovery and development of treatments for cancer and infectious diseases. There are no significant restrictions within the Group regarding access or use of assets or settling liabilities.

During the year the Directors made a Capital Contribution to Scancell Limited of £21.9 million.

At 30 April 2021 the aggregate capital and reserves of Scancell Limited was £16,090,943 (2020: £1,042,561) and its loss for the financial year was £7,185,255 (2020: Loss of £5,308,988).

B TRADE AND OTHER RECEIVABLES

Company	2021 £'000	2020 £'000
Amount owed by Group undertakings	343	208
VAT receivable	19	17
Prepayments	26	25
	388	250

The amounts owed by Group undertakings are interest free with no set repayment term.

C TRADE AND OTHER PAYABLES

	2021 £'000	2020 £'000
Trade creditors	55	46
Accruals	119	121
	174	167

D RELATED PARTIES

The Company has a loan with its parent company, Scancell Holdings plc. At the year end the amount owing to Scancell Holdings plc amounted to £343,164 (2020: £208,454). The loan is interest free and there are no set repayment terms.

E FINANCIAL INSTRUMENTS

	2021 £'000	2020 £'000
Financial assets		
Cash and cash equivalents	26,981	3,108
Amount owed by Group Undertaking	343	208
	27,324	3,316
Financial liabilities		
Trade and other payables	(174)	(167)
Convertible loan notes	(15,184)	-
Derivative financial liabilities	(12,031)	-
	(27,389)	(167)

The carrying values of financial instruments held at amortised cost approximate their fair values.